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**The Sustainability of the Social Democratic Welfare State in Recessionary**

**Periods: A Case Study of Barbados 1974 -1994**

**By**

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## **DECLARATION**

I hereby declare that the research presented in this thesis is my own work. I confirm that it has not been submitted for a degree at another university. Some of the findings have been presented at four conferences but they have never been published.

## **ABSTRACT**

This thesis examines the factors and forces which contributed to the continued existence of Barbados' social democratic welfare development model, despite changes in the global economy which favoured neoliberal policies promoted by the World Bank and the International Monetary Fund. This is achieved through an assessment of three World Bank funded education projects which were negotiated and implemented from 1974 to 1994. During this period the Government of Barbados also entered into three stabilisation programmes and a structural adjustment loan with the International Monetary Fund. These periods create the ideal analytical platform to investigate the impact of, and resistance to, the neoliberal ideology espoused by the World Bank and the IMF on Small Island Developing States. The thesis therefore contributes to the dearth of information on the welfare states in developing countries and highlights the importance of understanding the socio-political history, especially the role of colonialism, when assessing the emergence of social policy and planning in the global South.

A thorough investigation of this period (1974 to 1994) was conducted, and the data collected from interviews and public archives disclosed that in times of crisis the social democratic welfare state model is challenged but it is the labour unions who strategically organise themselves to confront what they perceive as a movement away from the core principles of the model. They confront both the local policymakers and the international financial institutions. This study therefore demonstrates that even in difficult times some level of agency can still be expressed. This however, in the case of Barbados, did not happen at the level of the technocrats but from the level of organised labour. The case of the labour movement in Barbados, specifically the teachers' unions (Barbados Union of Teachers and the Barbados Secondary Teachers' Union)

demonstrated that at the height of the neoliberal agenda organised labour was and still is significant in determining the direction of state policy.

## **ABBREVIATIONS**

BAMP	Barbados Association of Medical Practitioners
BCC	Barbados Community College
BCC	Barbados Christian Council
BDS	Barbados Dollar
BLP	Barbados Labour Party
BSTU	Barbados Secondary Teachers' Union
BUT	Barbados Union of Teachers
BWU	Barbados Workers' Union
CBI	Caribbean Basin Initiative
CFF	Compensatory Financing Facility
CDB	Caribbean Development Bank
CTUSAB	Congress of Trade Unions and Staff Associations of Barbados
CUT	Caribbean Union of Teachers
CXC	Caribbean Examination Council
DLP	Democratic Labour Party
ECLAC	Economic Commission for Latin America and the Caribbean
G8	Group of Eight
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
IFIs	International Financial Institutions
ILO	International Labour Organisation
IMF	International Monetary Fund
LDC	Least Developed Countries

NUPW	National Union of Public Workers
OECD	Organisation for Economic Co-operation and Development
OECS	Organisation of Eastern Caribbean States
SAPs	Structural Adjustment Programs
SIDS	Small Island Developing States
SJPP	Samuel Jackman Prescod Polytechnic
TVET	Technical and Vocational Education and Training
UN HDI	United Nations Human Development Index
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USAID	United States Agency for International Development
UWI	University of the West Indies
WTO	World Trade Organisation



## **Chapter 1**

### **Introduction to the Study**

This study critically analyses attempts to sustain the welfare state in Barbados during periods of economic recession and at the height of the neoliberal period during the 20 years between 1974 and 1994, when the welfare state was unfashionable and rumours of its demise were widespread. Through an investigation of the impact of neoliberal policies on Barbados, this study recounts the experiences and struggles of its government and its people, and particularly what I argue to be their individual and collective agency expressed through continued opposition to the neoliberal policies imposed by the International Monetary Fund and the World Bank.

This sustainability of the welfare state is investigated through an examination of the country's education system from 1974 to 1994; this was a period of economic turbulence in Barbados' development which witnessed the heavy involvement of the World Bank and the International Monetary Fund in the country's socio-economic development. The central research question which the thesis addresses therefore asks is: what are the factors and forces which have maintained the social democratic welfare state development model in Barbados from the period 1974 to 1994?

This introduction serves as guide to identify the research problematic and provides a general synopsis of how the thesis' research questions are answered in the following chapters. First the research problem is identified, followed by a justification and rationale for using Barbados and its education system as a case study to assess the sustainability of the social democratic welfare



state development model. This is followed by a discussion on the research methods and the chapter concludes by providing an outline of the thesis' chapters.

## **1.1 The Problem**

The current debate on the fate of welfare states within the international political economy often presents these states as constrained by the globalisation process, rendering them unable to maintain some of their key principles (Watson and Hay 2003; Payne 2005). In such circumstances, the state often claims that it is unable to sustain the egalitarian values to which it subscribes, resulting in free market principles being embraced and the social welfare ones discarded. These debates however, have been largely framed within the developed world, particularly, Western Europe and the United Kingdom (Rogers 2011, Watson 2011 and Coates 2011). The focus is usually on how economic crises are used to justify the implementation of neoliberal macro-economic policies and the reduction of social welfare provisions through claims that there are no alternatives (ibid). Neo-liberalism is here defined as the trend in the international political economy emerging from the 1970s, which promotes the liberalisation of trade in goods and services and the removal of barriers to trade, and which often leads to privatisation, retrenchment, deregulation and the changing role of the state (Ritzer 2010).

What this study therefore seeks to do is to bring the investigation of the sustainability of the social democratic welfare state model, to the Caribbean region, in particular the Small Island Developing State of Barbados. Research conducted on social spending in developing states, although very limited, has focused on African and Latin American countries with very few references to the Caribbean (Noy 2009; Gough and Wood 2004). The thesis thus seeks to contribute significant, additional knowledge to the current debate. In addition to this, despite

having included the developing countries in the discourse, these studies failed to address the role of colonialism in the development of welfare states in the global South. Instead they take an ahistorical analysis, neglecting the influence of the colonial legacy on the development of these societies (Harrison, 2011).

Nevertheless, it has been noted that some of these middle income states in the Caribbean and Latin America provide the ideal platform to investigate the impact of neo-liberalism on their political and social institutions, since economically they are in a position to pursue programmes which are beneficial to social development but they are also vulnerable to the vicissitudes of the global economy and neoliberal policies which can reverse social gains (Bertram 2011:15). These states are often exposed, albeit reluctantly, to neoliberal policies through the International Monetary Fund (IMF).

This research, using Barbados as a case study, will therefore contribute to these debates on the sustainability of the social democratic welfare state within the global economy, and by extension it addresses the dearth of information on Small Island Developing States which espouse social democratic principles. By doing this, the thesis advances the discourse on comparative social policy.

## **1.2 The Case of Barbados**

By examining the social democratic welfare state in Barbados from 1974 to 1994, we observe how ordinary people, who despite their country's economic vulnerabilities (vulnerabilities which can potentially impair their ability to challenge and resist external economic policies), managed

to express some level of agency, to the extent that they remained resilient in the face of international pressures to abandon social democratic principles in favour of neoliberal ones.

Barbados is of significance because its model of development is largely based on social democratic principles (ECLAC 2001; Blackman 1998). At the centre of this model is a strong commitment to universalism and the provision of social welfare, particularly in the area of education (IBD 2009). From the early 1960s onwards, successive Barbados governments invested heavily in their only resource, their people; the most notable examples of this are the promotion of universal education and health care, subsidised public transportation and water, the provision of unemployment and welfare benefits, contributory and non-contributory pensions and subsidised housing for low income earners, all of which have been funded through general taxation (ECLAC 2001).

This model of development has led to relative economic and social success, with development patterns which mirror those in first world nations and which resulted in a high standard of living for its people (IDB 2009; ECLAC 2001). It has also been considered successful in comparison to other developing states (Carmichael 1996). The attainment of a high standard of living, often measured at a GDP per capita of some US\$22,794 (UNDP 2010), the absence of natural resources, and a small geographical space of 166 square miles with a population of 274,000, makes Barbados' achievements commendable. This has all been credited to the application of social democratic principles (ECLAC 2001).

However, Barbados' model, with its particular brand of social democracy, is often regarded with disbelief or scepticism, since the challenges presented to developing states often make the wholehearted acceptance of social democratic principles within these countries seem impractical

(Blackman 1998). The challenge is even perceived as greater for Small Island Developing States with open, dependent, developing economies, such as Barbados', and it is for this reason that the research is of further significance. The country is extremely vulnerable to exogenous shocks, which can result in reduced spending on its human capital and social services in times of economic crisis, as is often the fate in other developing countries (Stewart 1999; Browne 1998).

Barbados' economy is dependent on tourism and, therefore, any external shocks such as global recessions, wars, the increase in oil prices or a sharp rise in air travel pose a threat to this (Payne 2001). Added to this is the fact that Barbados, like other developing countries, receives assistance, both financial and technical, from international financial institutions (IFIs), such as the World Bank and the IMF, whose free market liberalist policies can influence the direction of its development. Therefore, research into the Barbados government's social spending during periods of economic difficulty, particularly periods involving assistance from the World Bank and the IMF provides the opportunity to investigate the effects of neo-liberal policies, of which these organisations are the chief promoters. These policies are often promoted by the World Bank and the IMF through their financial aid and technical assistance, and which invariably come with stringent conditionalities. As the case of Barbados demonstrates, when global economic recessions occur, developing states become most susceptible to the loan conditions from these institutions.

The sustainability of this model will be assessed through an investigation of the education sector. It will be argued here that education has and continues to play a pivotal role in Barbados' social and economic development (Downes 2002). Just over 20 percent of the Government of Barbados' recurrent expenditure goes towards education and this is significant when compared to the OECD countries that spend between 15 per cent to 18 per cent (Government of Barbados

2008; UNESCO 2009). According to Downes (1994) the social demands for education, the need for highly skilled workers and the political gains to be accrued from it have resulted in education taking a prominent place in public expenditure in the Caribbean. Education has been viewed, and rightly so, as the cornerstone of Barbados' development achievements. Successive governments have continued to invest heavily in the country's human resource development through the provision of free primary and secondary education and subsidised tertiary education, inclusive of teacher training, and the continued expansion and improvement of the physical infrastructure.

### **1.3 The Period Under Study: 1974 to 1994**

To adequately address the aforementioned issues the research spanned the period from the mid 1970s to the early 1990s, and particularly focused on the periods 1974 -1978, 1981-1982 and 1991-1994. These three periods are key when examining the sustainability of the Barbados development model because the government's heavy financial investment in the education system came under intense scrutiny and threat at these times, particularly when it approached the World Bank for three project loans to expand the provision of primary and secondary education. These projects were: the First Education and Training Project (Loan 1642 BAR), commonly referred to as the First World Bank Education Project; the Second Education and Training Project (Loan 2688 BAR) often called the Second World Bank Education Project; and the Human Resources Project (Loan 3634 BAR), referred to in the text as the Third World Bank Education Project. In addition to this, financial assistance was also sought from the International Monetary Fund to stabilise and restructure the economy in the form of a stabilisation loan in 1977, another stabilisation loan in 1982 and a structural adjustment loan in 1991. As with the

World Bank project loans, the IMF also questioned and challenged the government's justification for its continued commitment to social expenditure.

#### **1.4 Investigating the Barbados Development Model: The Research Process**

Having noted the above, this study's concern is not about whether Barbados has adopted a social democratic development model, for this is already known (ECLAC 2009; Duncan 1986; BLP 1981). Instead its focus is with the model's sustainability; that is, the how, the when and the why of its continued existence. How has it been sustained? Who and what are the internal and in some cases the external forces that helped maintain it? Why was its survival challenged and how was this resisted?

These questions are answered by analysing primary and secondary data collected through elite interviews with key players in the country's socio-political development. This included former senior civil servants, trade union executives, technocrats and top political operatives. Also presented is research data gathered from archival and other related sources, including government administration files, Parliamentary Hansard reports, IMF and World Bank project loans and aide memoires, policy documents, political manifestos, annual budgetary estimates of expenditure and statistical data gathered from the Central Bank of Barbados.

It should be noted, however, that this research assesses the sustainability of the welfare state model through the government's financial commitment to the education sector, expressed in its annual budgetary estimates of expenditure and revenue, and the debates that flowed around this. The research, therefore, matched what the government said in its policy documents, manifestos, files, speeches and the like, against what it actually implemented through the allocation of

resources and other concessions such as free school meals, free textbooks, free transportation to and from school, uniform grants and necessities of a similar nature.

The research also focuses on primary and secondary education. This is not to infer that tertiary education (both further and higher) is not of significance, but the issues and concerns regarding that level of the education system transcend the scope of the study, and post secondary education on its own requires a separate area of investigation. Tertiary education has a separate development history and a different form of administration, at least in the case of the University of the West Indies, which is a regional institution with campuses in Barbados, Jamaica and Trinidad and Tobago. Thus, the provision of primary and secondary education is much more specific to Barbados and to its experience of structural adjustment. In addition to this, the history of organised labour in the tertiary sector is very different to that of the primary and secondary schools in Barbados, who have a long history of active organised labour that is strongly influenced by the colonial experience.

## **1.5 Structure of the Thesis**

This thesis comprises eight chapters. Following this introduction, Chapter Two provides a review of the relevant literature that supports the thesis. It locates the argument in the current debates regarding the survival of the welfare state in developed and developing countries and specifically highlights the vulnerability of Small Island Developing States and the role which spending on social welfare plays in offsetting some of their inherent disadvantages. Its purpose is to argue that while the research on spending on social welfare largely focuses on developed countries, there are examples of developing countries which have adopted a social democratic development model with a marked measure of success.

In addition to this, the chapter examines society's reaction to neoliberal policies through the application of Karl Polanyi's theorising of society's resistance to the imposition of market liberalism. Polanyi's work, it is argued, is of considerable value here because it helps to explain the sustainability of the social democratic development model in Barbados as it allows for an understanding of the resistance of the Government of Barbados and the Barbados teachers' unions to attempts by the World Bank and the IMF to commodify the education system, an argument that is advanced in the subsequent chapters.

Chapter Three creates the platform for the investigation of the sustainability of Barbados' social democratic development model through a historical analysis of the political economy of education on the island. The chapter highlights the central role of the education sector to the country's development from the colonial era (pre-independence) to the post independence period. This analysis is broken down into two sections. The first section reviews the period from the 1930s to the 1950s highlighting the colonial influence during this period by examining the emergence of social democratic principles within the country's political economy and the British Labour Party's influences in that transformation. It also addresses the development of organised labour movements and the rise of political parties, who together became the central force advocating for, and implementing, social democratic policies. The second section advances the case that with adult suffrage and independence from the United Kingdom, the country's leaders were all committed to the social democratic ideology which helped transform the country from an agricultural society to a service oriented one. This section presents the case of the Government of Barbados' commitment to investing heavily in its human resources through increased social spending in the education sector.



Chapter Four focuses on the research methodology and provides a review of the thesis' research design and process. The purpose here is to provide details of the trajectory of the research process, from the research questions to the research methods. It also includes a section on the data collection and subsequent analysis.

Chapters Five to Seven present the thesis' core arguments, for it is here that the data is analysed and key themes emerge. These chapters demonstrate that the social democratic welfare state has survived up to the period under investigation despite predictions of its inability to endure neoliberal reforms. It will be argued in these chapters that the national budgets of several welfare states were still incrementally bolstered during the period under review, in spite of calls for reduced state expenditure on the social sectors, particularly education. Chapter Five introduces the origins of the ideological clash between the Government of Barbados and its teachers' unions who were on the one side and the World Bank and the IMF on the other. Set within the 1970s this chapter presents education as a contested terrain by the Government and the teachers' unions who were both hostile to the World Bank and the IMF's perception of education as a commodity. They (the Government and the unions) operate as a countermovement challenging the Bank and the Fund's demands to apply neoliberal cost efficient measures to the public education system. It is within this chapter that the thesis' main themes of conflict, consensus, resistance and resilience come to the fore.

The impact of neoliberal policies on social spending and the ability of social democratic governments to withstand these pressures are addressed in Chapter Six. Set within the dramatic changes occurring at the global level with the shift from the Keynesianism to neoliberal orthodoxy, this chapter assesses the impact which these had on Barbados' development in the 1980s. Here the government's commitment to social democratic ideology comes into question.

Therefore through an examination of the education sector's response to the economic crisis which the country experienced as it turned to the IMF for a second stabilisation loan in 1982, coupled with the government's heavy reliance on the World Bank to fund the expansion of its primary and secondary education facilities through a second education project loan, the considerable challenges presented to social democratic welfare states in developing countries are highlighted. However, it is argued that while the economic crisis might weaken a government's negotiating power, other crucial factors can act as bargaining points. In the case of Barbados geopolitics worked in its favour as the government used the Cold War politics of this era to extract less stringent loan conditions from both lending agencies.

In Chapter Seven the significance of national consensus to the sustainability of the social democratic development model is addressed. Once again as in the 1970s (Chapter Five) and the 1980s (Chapter Six) the model comes under heavy pressure as the government approaches the IMF for a third stabilisation and structural adjustment loan, while at the same time negotiating a third education loan with the World Bank. However, this time the negotiating environment was different as the Cold War had ended and the growing economic crisis threatened political instability as members of the Cabinet dissented and withdrew their support from the Prime Minister. This chapter as do the others, served to reinforce Karl Polanyi's theoretical concept of the double movement, particularly when he notes that as the market starts to expand and disembed from the society, creating social dislocation in its wake, even those who once were its chief proponents in the end seek protection from it (Polanyi 2001). In the case of Barbados it was the threat of having the country's currency devalued that brought the Government, the private sector and the trade unions together in the form of a tripartite social partnership.

The study concludes with Chapter Eight, which provides an overview of the findings and highlights the contribution of the research to the discourse on the survival of the welfare state and consequently to the disciplines of sociology and development studies. This chapter also identifies the study's limitations and points to the direction of future research in this area by suggesting that the evaluation of contemporary public spending in Barbados, with the inclusion of post-secondary education, are areas for further investigation. It concludes by identifying ways in which the study can contribute to existing and emerging public policy in Barbados and the wider Caribbean region.

## **Chapter 2**

### **Review of the Literature: Welfare State Sustainability and Polanyi's Double Movement**

This chapter offers an evaluation of the literature on the social democratic welfare state model by examining the key debates on the welfare state (merits and demerits) in both developed and developing countries. It demonstrates that contrary to the view held in some influential quarters the welfare state is not in retreat, and neither has it surrendered under global economic pressure to reduce social spending (Rudra 2002). In fact, what the literature does disclose is that, far from scaling back its expenditure, some welfare states have actually increased spending on their social sectors as a way of cushioning the impact of economic globalisation and the current recessionary throes its citizens are experiencing. The literature, however, provides mixed reviews on welfare state spending in developing countries, and shows that although social sector expenditure assists in the promotion of economic growth, the latter is largely dependent on a country's social and political institutions as well as the implementation of prudent fiscal and monetary measures (ibid).

In this chapter the fortunes and experiences of some Caribbean Small Island Developing States as well as some states in Latin America are presented as examples of the resilience of the welfare state in the developing world. In spite of being economically vulnerable, and even with external pressure being applied by international financial institutions (IFI), often through structural adjustment programmes, they have maintained their commitment to social spending to ameliorate the circumstances and plight of their populations and to help spur development. This resilience is explained and analysed through Karl Polanyi's theoretical concept of the double

movement which not only highlights the corrosive nature of unregulated market liberalism but also the protective measures used by governments and organised labour movements.

Taken as a whole, the chapter lays the foundation for the contention that political pragmatism, trade unions and domestic actors matter in sustaining the social democratic welfare state in developing countries. In essence, this chapter serves to locate the study within the current discourse on welfare states in developing countries and provides an explanation of its continued presence in these societies.

Having noted the above, the chapter is divided into seven main areas and a conclusion. Section 2.1 examines the role of welfare states in the contemporary period, while the second section 2.2 highlights the limitations of, and the dearth of information on, research conducted on welfare states in developing countries. Section 2.3 focuses on the need for a higher level of social spending in most countries, specifically the less developed ones during austere periods, and section 2.4 provides some insight into the survival of welfare state policies in some Latin American and Small Island Developing Countries. Section 2.5 provides an explanation of the sustainability of the social democratic welfare state through the application of Karl Polanyi's critique of market liberalisation, while section 2.6 reviews his theoretical concept of the double movement and its application to the contemporary period. The chapter concludes with section 2.7 which sums up the analysis in a succinct overview.

## **2.1 Surviving Austere Times: The Welfare State Beyond the Golden Age**

For all the varied forms that welfare states have taken, the origin of the modern social democratic welfare state can be acknowledged as a calculated political response to the harsh realities of expanding industrial capitalism and its accompanying rapid urbanisation and widespread social

dislocation (Bertram 2011). It, therefore, can be seen to be born out of a desire to introduce proactive social measures that would improve the lot of the disadvantaged in the face of growing working class pressure. So, it 'emerged historically as a top-down solution to the problem of how to secure social protection and security ... with large numbers of wage labourers subjected to the depersonalising forces of a commodified labour market' (Bertram 2011:4). This in turn became the basis for the formulation of more egalitarian principles that came to include policies designed to promote full employment, the redistribution of wealth, and programmes that provide 'support for and cooperation with a strong labour movement and the protection of citizens from the cradle to the grave and collectivism' (Huber and Stephens 2001:277). However, in recent times, countries that have pursued this policy have been forced to operate within a milieu that appears averse to state intervention.

One primary challenge to the social democratic welfare state has come from economic globalisation which is influenced by neoliberal policies (ibid) and which means welfare states now function under different conditions. Whereas welfare states emerged and thrived during a period of strong economic growth, they now operate in a climate of austerity and have been exposed to constant attacks and criticisms particularly as they relate to targeting public expenditure and involvement by the state in economic activity (Myles and Quadagno 2002). Many left and right wing political and social science pundits have consequently forecast the demise of the welfare state, perceiving it as being incompatible with the rapidly changing and demanding free market global economy (Huber and Stephens 2001:277). They have pointed to the economic crises of the 1970s and 1980s which witnessed rising unemployment, the politics

of austerity, and constant attacks on governments' expenditure and state bureaucracies, as factors contributing to its demise (Myles and Quadagno 2002: 41).

According to Rudra (2002), the predicted end of the welfare state was based on two premises: 'first, generous welfare benefits are not regarded as good market-disciplining devices on labour. Second, globalisation discourages governments from raising revenue. Footloose capital or the capacity to withdraw and shift both productive and financial capital with greater ease made it difficult for governments to generate revenues through taxation' (Rudra 2002:414). In keeping with this perspective, it is argued that government intervention through social and welfare provisions distort the labour market and negatively affect capital investment since such spending is usually financed through taxation on incomes and wealth, and as a result depresses investment (Garrett 2001). High taxation rates also discourage inward investment or so it is argued (ibid).

Critics, such as John Gray (1996 cited in Pierson 2001) argue that the use of social democratic policies in the present globalisation era should be treated with great scepticism. In line with this, others have suggested that social democracy as a theoretical or policy position only served a useful purpose in the Cold War era (Pierson 2001:7). Opponents like Gray declare that there is no room for social democratic policies in the global market. Like Gray, Giddens (1998 cited in Payne 2005) is also critical of traditional social democratic welfare states but from a different perspective. He argues that traditional passive welfare states, which do not encourage individual responsibility and self-actualisation of citizens, often create demoralising patterns of welfare dependency (Payne 2005: 80 -81). While Giddens (1998 cited in Payne 2005) criticises the traditional welfare state for its pervasive involvement in social and economic life, he does not find respite in the neo-liberal agenda (Payne 2005). He noted that on the one hand, social

democracy relies heavily on the state which is too restrictive and does not encourage social responsibility while, on the other hand, neo-liberalism destroys social cohesion (ibid).

Giddens (1998 cited in Payne 2005) instead proposes a third way, which is neither left nor right in its application (Payne 2005:81). The third way can be best described as market socialism, which some argue itself constitutes a contradiction, in which free market interests are mitigated with a helping hand from the state for those persons who have fallen through the proverbial cracks. In doing so arguments for a third way represent a remodelling of the social democratic principles aimed at weathering the effects of neo-liberal globalisation (Arestis and Sawyer 2001: 177). Pierson (2001) in his analysis of the third way defines it as that 'space that lies beyond both (the) old style social democracy and its neo-liberal rivals' (Pierson 2001:9) Its main principles are 'equality, protection, no rights without responsibilities, no authority without democracy, cosmopolitan pluralism and philosophic conservation' (ibid).

While the state still has a central role to play in the development process and maintains its role as the provider of certain welfare services, the third way focuses on matching rights with responsibilities. This new concept was extremely influential and was used as a policy strategy and political tool in the United States by Democratic President Bill Clinton and in the United Kingdom by Labour Prime Minister Tony Blair (MacGregor 2005:142).

With regard to the third way, however, it has been heavily criticised and has been caricatured as 'neo-liberalism with a human face' (Arestis and Sawyer 2001: 78). It has also been portrayed by many as a betrayal of the true egalitarian concepts of social democracy (ibid). Indeed, some critics of this strategy have tended to agree that the features of the third way 'are an explicit rejection of many of the economic, political and philosophical ideas of social democracy, let



alone democratic socialist ideas' (Tsakalotos 2001 cited in Saad-Filho and Johnston 2005: 43). Social democracy, as presented by third way theorising, no longer presents itself as a challenge or alternative to neo-liberalism, but instead those proponents of this discourse concede to its pressures and argue for the rationalisation of market forces (Payne 2005:81).

In contrast to the opponents of welfare states discussed above, others point to its resilience and highlight its longevity. Some supporters of social democracy reject the claim that trade liberalisation is detrimental to social democracy. Drawing heavily upon the examples of the Nordic states, they note that some of the most successful open economies have been those with strong welfare states which have an active organised labour movement and a large public sector (MacGregor 2005). In addition to this, they suggest that the security provided by the welfare state protects the vulnerable and disadvantaged members of society from the harmful effects of open trade.

Their argument is not unfounded since research has shown that these ominous predictions which rumoured the demise of the welfare state have failed to materialise (Rudra 2002: 411). In fact, Glatzer and Rueshemeyer (2002) argue that the evidence does not support the claims. Welfare states have not been in retreat and neither are they in jeopardy. Studies have shown that far from challenging the model's egalitarian principles it is, in effect, 'not only compatible with globalisation but has even thrived (to some extent) because of it' (Glatzer and Rueshemeyer 2005: 8). The model actually helps to facilitate capitalist development (Glatzer and Rueshemeyer 2005: 1). In particular, using the examples of the Nordic welfare states it has been demonstrated that 'economic globalisation and social welfare policy mutually support each other' (Glatzer and Rueshemeyer 2005: 3). For example, the OECD countries have responded to the challenges of

globalisation and have reduced the uncertainty and volatility of the global economy by broadening their welfare and social security systems (Glatzer and Rueshemeyer 2005: 4).

Similarly, Garrett (2001) dispels the notion of the dismantled welfare state by extending Karl Polanyi's (2001) research on the double movement. He shows how states increase their welfare benefits to cushion the destructive effects of market competition. Welfare states intervene not by challenging or confronting transnational capital, but instead through generous social and welfare provisions. They compensate workers and businesses with unemployment benefits, tax concessions and public service employment subsidies (Huber and Stephens 2001: 1). Research has, therefore, shown that there is a positive relationship between economic openness and the growth of the public sector, as governments try to soften and stabilise the effects of economic globalisation (ibid). In those circumstances, the state uses social and welfare policies to compensate for these losses.

Garrett (2001) cautions, nonetheless, that these findings were yielded primarily from OECD countries and, therefore, cannot be used fairly in the analysis of other regions. These countries' wealth and their advantageous position in the global economy make them less exposed and, hence, less vulnerable to market forces. Likewise, 'high levels of incomes and productivity may afford (their) governments the luxury of maintaining large public economies even if there are inefficient' (Garrett 2001:4). However, while in agreement with Garrett that welfare states have survived, Kiely (2010) observes that although they are not doomed they have nonetheless been challenged by the globalisation process (Kiely 2010: 1064).

Economic openness, however, is not the only factor which has been identified as being responsible for the survival of the welfare state in western countries. Other factors such as

partisan politics, increased capital mobility and strong organised labour movements have been recognised as influential in sustaining social spending. Organised labour, in particular, has been singled out as the most critical element in maintaining social expenditure (Rudra 2002: 415) because trade unions played a critical role in the development of social policies in many countries. They have been identified as one of the key features in the construction of social democracy, and their close identification and association with social democracy has been partially responsible for many onlookers to associate any decline or reduction in social democratic policies with the reducing influence of unions, and vice versa (Stavis and Boswell 1997; Jose 2002: 10).

The organised labour movement, nevertheless, has been one of the most consistent critics of neoliberal policies (Rudra 2002:415). It has, like the welfare state, been surprisingly resilient and adapted to globalisation. Through their colleges and institutions labour movements have kept abreast of issues and global developments. They have formed strategic alliances with other international bodies in developing creative ways of countering the effects of globalisation on workers' right (Jose 2002: 4).

Over time, the achievements of trade unions for their members and the wider society have been nothing short of impressive. The gains include: the attainment of greater job security for workers in the public service, clinching minimum wage for workers, ensuring unemployment and sick benefits, national insurance, holiday and weekend pay, fulltime employment, improved working conditions and incremental wage hikes (Jose 2002:2). Notwithstanding their achievements, trade unions have faced their own challenges (Broad 1995; Huber 1996). They too have also had to deal with dwindling membership and global changes in the labour market. These changes consist of new and alternative types of work that have not been consistent with the trade unions

historical focus on full-time, male industrial workers; and which include the rise of contractual employment that negates trade union representation, home-workers, continuously updated technology in the workplace, part-time workers, the re-emergence of liberal ideology and the specialisation and increased division of labour (Broad 1995).

Trade unions in the Northern and Southern hemispheres differ however, in their response to globalisation. Jose (2002) contends that unions located in the North have kept abreast of global developments since they are located in the countries where these changes are conceptualised and executed. They are often to be found in the midst of the technological changes and at the seat of power, and their members also form part of the structure that influences these changes. For developing countries the situation is much different, as more often than not, trade unions are weakly developed and they are the recipients of these changes rather than actors who look to influence these new developments (Jose 2002: 5, Huber 1996).

Although the unions appear to be one of the strongest points of resistance to neoliberal globalisation, they are not the only source. Support also comes from 'the consumers and providers of social services, who are usually well placed to defend the welfare state' (Pierson 1996: 174). Pierson (1996) posits the view that because of the long-term existence and commitment to welfare state policies in many countries they have reached a level of maturity that enables them to survive and they have gained long-term support from the electorate. This, he claims, can explain why sometimes, in spite of weak labour movements in some countries, there has been resilience (Pierson 1996: 151; Huber 1996). The evidence has therefore revealed that domestic forces matter in remaining committed to social welfare policies (Glatzer and Rueshemeyer 2005: 7).

Once welfare programmes have been introduced there is not only a reluctance to cut back on or discontinue them, but a real difficulty in getting people who have grown accustomed to those benefits to understand or agree to their elimination. Social provisions create interest groups within states and they resist any changes to social spending (Rudra 2002: 415). The welfare state, therefore, has not only supported and sustained various national groups and sectors such as teachers and healthcare professionals, but it has also created powerful interest groups like pensioners, the disabled, middle class professionals and healthcare consumers (Pierson 1996: 130). Furthermore, welfare states measures and policies are strongly embedded in national institutions such as the church, community groups, retiree associations, public sector bodies, non-government organisations (NGOs), and voluntary groups. These institutions all help to shape public policy, public opinion and reaction, and influence a country's growth and development (Glatzer and Rueshemeyer 2005: 16)

Similarly, Esping-Andersen explains that where the welfare state is concerned politics and political institutions matter (Esping-Andersen cited in Myles and Quadagno 2002: 39). Governments seldom adopt policies which would hamper their re-elections prospects (Pierson 1996: 176). They temper the extent of reforms during periods of crisis and often seek consensus on certain matters to avoid public outcry and apathy. This consensus often leads to compromise on some issues which Pierson notes, 'further diminishes the potential for radical reform' (Pierson 1996: 156). Myles and Quadagno (2002: 42) add to this stance by noting that 'the political unpopularity of cutbacks to programmes that benefit large sectors of the population (pensions, healthcare, housing, sickness and unemployment benefits) impose high political costs on incumbent governments'; costs which many governments are unwilling to bear.

Even the established welfare states have problems which affect the extent and continuance of social welfare provisions and they are not immune from the destabilising impact of the market. In fact, in the 1990s state provisions were reduced in many of the OECD countries as they battled with chronic unemployment (Stephens 2005). Iversen and Wren (1998) claim that these states are presented with a 'trilemma' between budgetary restraint, income equality and employment growth, (and while) it is possible to pursue two of these simultaneously, it has so far proved impossible to achieve all three' (Iversen and Wren 1998:508). Therefore, if the focus of governments is on generating employment, budgetary constraints can be achieved, but not income inequality. Conversely, if income equality and employment generation are the goals there can be no budgetary restraint (Iversen and Wren 1998: 508)

However, once again, these arguments are directed towards the relatively affluent world and unlike developing states, they can and do influence international relations (Glatzer and Rueshemeyer 2002:17). Our question, therefore, is: has the experience of the developing South been the same?

## **2.2 Investigating the Welfare State in the Developing South**

Despite having been critiqued on several grounds mainly for its failure to consider the issues of race, religion, gender and the role of communities in the development of welfare states and their subsequent social programmes, most welfare state analysis has been conducted through Esping-Andersen's welfare state models. In his investigation of welfare states Esping-Andersen identified three types of welfare state regimes categorised as liberal, corporatist/Christian democratic and social democratic (Esping-Andersen 1990:26). However, while not disclaiming Esping-Andersen's categorizations of welfare states, Gough and Wood (2006) note that they

cannot be wholeheartedly applied to developing countries since they were based on his (Esping-Andersen) assessment of welfare states in developed countries. Nevertheless, his analysis in the context of developing countries serves as a conceptual framework (ibid).

Instead Gough and Wood (2006) modified and expanded Esping-Andersen's categorizations in order to apply the welfare state regime analysis to developing countries. This amended welfare regime analysis recognizes the highly financially dependent nature of developing states on external aid. It also acknowledges the role which non-governmental organizations and the community play in these societies. They (Gough and Wood) therefore stress the necessity and importance of considering non-state domestic actors (kinship groups, religious associations, villages, etc) as well as external actors (International Monetary Fund and the World Bank) and external influences (migration and remittances) when assessing welfare state models in developing countries (Gough and Wood 2004).

With the inclusion of these considerations Gough and Wood's modified welfare state regime analysis resulted in the development of four types of welfare regimes in developing countries: (1) actual or potential welfare state regimes, (2) more effective informal security regimes, (3) less effective informal security regimes and (4) externally dependent insecurity regimes (Gough and Wood 2006: 1703 -1704). From their research they confirmed the existence of welfare state models in parts of the world outside the OECD and concluded that 'the welfare state regime family thus extends beyond the West' (Gough and Wood 2004: 35). Thus they acknowledged that this research 'confirmed Esping-Andersen's analysis' (Gough and Wood 2004:35), although cautioning that 'much of the rest of the world notably South Africa and much of Africa cannot be understood within this paradigm' (ibid). However what they observed was that one of the significant differences between welfare states in the developed North and developing South was

the former's ability to compensate its citizens in turbulent economic times whereas, in the latter's case this is more difficult to achieve (ibid).

What their analysis has neglected, like other social policy theories, is to include the Caribbean region, and they have continued the practice of lumping developing countries and regions together, treating them as homogenous groups. Furthermore, their approach has been characterized as ahistorical since it failed to include the crucial role of colonialism in the development of welfare states and social policy in these societies (Midgley 2011: 41). In fact while Gough and Wood (2006) seem to identify the formal provision of social policy as secure and positive, others argue that at times these measures were also disruptive to community 'informal' welfare programmes (Midgley 2011: 43). Colonialism played a hugely significant role in the development, expansion and continuation of social policy in the developing world. After independence a lot of these policies were expanded 'to such an extent that the country could be characterized as a third world welfare state' (Midgley 2011: 42). However by the 1980s these countries were struggling to maintain their commitment to welfare state ideology. Central to this struggle were the IMF and World Bank's structural adjustment programmes which heavily influenced welfare reforms in these countries (Barrientos 2004: 141). The economic crisis of the 1980s severely affected social expenditure in developing states and subsequently impacted negatively on social policy and planning with a significant reduction in the provision of social services (Huber 1996: 141).

### **2.3 The Welfare State in Developing Countries: Social Spending in Austere Times**

While the impact of economic globalisation on OECD countries is more likely to result in income inequality, for developing countries it is more likely to lead to increased insecurity



(Garrett 2001: 7; Gough and Wood 2004). This would suggest that in response to globalisation and the economic crises of the last three decades developing states, of necessity, should increase their social spending to counter the impact of these economic slumps. However, only a handful of developing countries, for example Costa Rica and Barbados, actually increased their social spending (Noy 2009; Barrientos 2004), whereas most others experienced an overall decline in government social spending (Rudra 2002: 416). The economic crises of the 1980s and 1990s and the structural reforms which accompanied them resulted in a shift in welfare models in some Latin American and Caribbean countries (Jamaica and Guyana), while others resisted reform to key social sectors mainly in education and healthcare (Costa Rica, Bahamas and Barbados) (Barrientos 2004: 141).

The conditions which support social spending vary significantly for developed and developing countries. While developed countries have access to capital markets during periods of economic crisis, developing countries do not have this option as it becomes very difficult to secure capital with a balance sheet bearing a large deficit, and hence during recessionary periods developing countries are often excluded from the international credit market (Wibbels 2006). Therefore, under great pressure and strain to manage such deficits governments in developing countries cut social expenditure at a time when it is needed most (ibid).

Rudra (2002) in her research on social spending on less developed countries (LDCs) has shown that while in middle income and high income countries, the welfare state has been maintained, the case has not been the same for LDCs where the labour market has been fragmented by the globalisation process (Rudra 2002: 413). She observes that workers in the OECD countries are more politically organised and have strong institutions to protect them, and, therefore, can demand increased welfare spending and expansion (ibid). However, in the LDCs, the increasing

power of transnational capital and its influence have been said to undermine governments' autonomy and indeed their sovereign ability to pursue those social policies that would improve the livelihoods of their citizens through improved wages and social services which are financed from taxation (Iversen and Wren 1998: 508). In applying a dependency theory analysis, as purported by Latin American 'dependistas' such as Cardoso and Gunder- Frank in the 1970s, Wibbels (2006) argues that dependency on international markets has resulted in reduced social spending in developing countries. He demonstrates that while economic openness and further entrenchment in the global economy creates a positive relationship for developed nations, the same cannot be said for developing ones (Wibbels 2006: 435).

During recessionary periods there is a popular view that governments should cut spending in an attempt to balance their budgets and reduce their deficit. The state focuses on reining-in the public deficit, repaying international creditors and generating economic growth. Their objective is to try to stabilise the economy but this often means that social welfare policies become a secondary concern (Glatzer and Rueshemeyer 2005: 18). Reduction in the size of the civil service significantly reduces union membership and thereby affects the labour force's ability to resist or challenge these changes (Jose 2002: 6). Apart from the obvious impact of this, it means that the poorest sections of society invariably suffer and it also spells trouble in the long run since the frequency of global recessions coupled with the increase need for highly skilled workers mean that some countries never really recover. By the time social spending starts to increase again another crisis occurs and the number and quality of skilled workers in the country rapidly depletes as these workers migrate in search of better opportunities (Wibbels 2006: 464).

Under conditions when international sources of capital dry up, governments, albeit reluctantly, turn to the IMF for financial assistance, and this assistance often comes with a requirement to

reduce public expenditure (Wibbels 2006: 438). The IMF and the World Bank play a crucial role in a country's economic progress and development since they largely influence creditors' willingness to provide finance. These institutions were instrumental in shifting the burden of responsibility to debtors and not the creditors who, for the most part, reside in OECD countries (Huber 1996: 90). This situation has led some analysts to argue that adoption of welfare state models would be unattractive to less developed countries in light of the pressures from the World Bank and the International Monetary Fund (IMF) that promote their neoliberal free market agenda, mainly through the conditionalities attached to their stabilisation and structural adjustment loans (MacGregor 2005).

Stabilisation and structural adjustment programmes (SAPs) are based on the perception of how an economic problem can be solved to place a country on a growth path. They represent a shift in economic policy paradigms from Keynesianism which advised on increase spending during recession periods, to neoliberal ideology and supporting policies which recommend austerity (ILO 1996: 4). The success of the neo-liberal theory of development is often seen as a counter-revolution in development theories (Toye 1987). It, however, can be best defined as being reflective of the present global political economy. The theory consists of several components that have been integrated into policies and strategies by various nations and development agencies in both developed and developing states (Chang and Grabel 2004:15). These components run the gamut from trade liberalisation, retrenchment and currency devaluation to privatisation and deregulation (Please 1984:18).

The IMF and World Bank's adjustment policies have been criticised for being strongly ideological. Similarly, they do not take into consideration the nature of a country's predicament,

that is, whether the financial difficulties were based on external or internal factors (Glatzer and Rueshemeyer 2005:14). Furthermore, the structural adjustment programmes have been accused of impairing policy autonomy. The initial negative effects of structural adjustment programmes particularly distress the social welfare sector (McAfee 1991:68), and the repercussions include increased poverty and inequality, drastic cutbacks in services, increased social unrest and environmental degradation (Zack-Williams 2000:59). In using the Caribbean as an example Chevannes (2000) notes that structural adjustment programmes have had a damaging effect on the Caribbean and 'forced upon them inhumane abrupt retrenchment from their generally strong commitment to state provisioning in such key basic social sectors as education and health as well as general programmes of social security relief' (Chevannes 2000: 189).

Reduced government spending and the devaluation of a country's currency often lead to high levels of unemployment and underemployment, resulting in reduced productivity and lower living standards (Stewart 1991:1847). When structural adjustment programmes (SAPs) are implemented the poor are usually the first to feel the impact. Reduced expenditure on welfare services have left the poorer sections of society more disadvantaged, since the introduction of SAPs (McAfee 1991:68). Cutbacks in welfare benefits have also produced a serious reduction in educational opportunities and learning standards, as well as a drastic decline in the number of school enrolments particularly among young girls, who are often forced to leave school in order to work and bring in additional income (Zack-Williams 2000:67).

Most developing countries have to deal with the constant and harsh reality of having to decide whether to trade off between encouraging investment and industries to provide employment for

their citizens or providing social services which would improve their lives but could potentially scare away investors (Rudra 2002: 436). This has led many analysts to conclude that the social democratic welfare state model, while beneficial for the socio-economic advancement of developing countries, has its challenges and so is not necessarily the most feasible policy option for all developing countries (ibid).

#### **2.4 The Welfare State Model in Small Island Developing States and Neo-liberalism: Managing Social Spending and Fiscal Restraint**

In spite of the pressures from international financial institutions, like the World Bank and the International Monetary Fund, some developing countries such as those in Latin America and the Caribbean have from around the second half of the last century, adopted and in some cases adapted the welfare state model. They have remained committed to this development model even in times of economic recession. This is substantiated by the fact that in recent times, particularly in the 1980s, within Latin America and the Caribbean, Barbados, Brazil, Costa Rica and Panama – all viewed as leaders in their regions - increased their social spending, while countries like the Bahamas maintained their level of spending (Noy 2009). More specifically, the Commonwealth Caribbean Small Island Developing States have continued to seek to place social spending high on their national development agenda, even if not always consistently so, since the 1960s. This is despite their vulnerable status as small island nations. This has not been an easy feat. In fact, these countries have consistently petitioned the international community, principally the Group of Eight (G8) nations to consider the plight of Small Island Developing States (SIDS) which, in terms of the scale and scope of international trade, the global economy, population and landmass, are 'the smallest and most vulnerable states' (Quarless 2004).

The issues of SIDS were first brought before the international community in 1972 at the third session of the United Nations Conference on Trade and Development (UNCTAD) and again in 1977 at the Commonwealth Finance Ministers Meeting in Barbados. Since then, there have been sporadic attempts at international meetings and conferences to address SIDS issues, usually surrounding some topical catastrophe such as the invasion of Grenada or the earthquake in Haiti. Once those meetings conclude the issues are shelved and relegated to the annals of forgotten developing countries.

Changes in the global economy in the last few decades have brought about challenges to the sustainable development of SIDS. Fast paced technological, economic and social developments have worked together to expose the vulnerability of these states (Briguglio 2006). The volatility of the global economy has also meant that small states especially those in the Caribbean function under the ever-cognisant reality of external shocks, whether economic or natural. They operate as described by Graham-Brown (1991) in a 'state of permanent crisis management, where simply keeping the system afloat represents an achievement' (Graham-Brown 1991:3).

SIDS have been characterised as vulnerable as a result of their,

'small size; narrow resource base; open economies, vulnerability to exogenous shocks; undiversified economies, with dependence, in many cases, on a single commodity for export revenue; a high degree of exposure to climate change; susceptibility to natural and environmental disasters; weak human resource and institutional capacity; and remoteness and high transportation costs, affecting competitiveness in trade' (Quarless 2004: 2).

The sum total of these characteristics have meant, by and large, that SIDS often 'lack policy autonomy' as they are always exposed to external directives and influences (Prasad, Hyper and Gerecke 2013: 6). Equally so, they have and continue to be vulnerable to political interference as witnessed during the Cold War period with the invasion of Grenada and the economic black listing of Jamaica (Campling 2006; Bartilow 1997; McAfee 1991).

Caribbean Small Island Developing States have been particularly disadvantaged globally on several fronts since the end of the Cold War. In particular, Lewis and Nurse (1994) note that since the 1980s there has been a decline of interest in the Caribbean as a source of primary products. This has resulted in reduced international competitiveness, sluggish and at times stagnant economic growth and increasing debt burdens, all of which have had a negative effect on development (Lewis and Nurse 1994:192).

Nevertheless, some SIDS despite their disadvantaged position economically and geographically have been able through various social and economic policies, to overcome these challenges and forge a way forward. They have managed to offset the impact of globalisation by adopting social democratic welfare state policies, and 'in doing so they provide a cushion for their citizens who would otherwise be predisposed to external shocks' (Prasad, Hyper and Gerecke 2013: 8).

It has been argued consequently that the preference for the social democratic system might be relevant to small states which are more exposed to the vicissitudes of the global economy (Bertram 2011:12). The application of this model has resulted in some Caribbean Small Island Developing States ranking very high in the United Nations Human Development Index. In 2013, Barbados was ranked 39th, the highest in Latin America and the Caribbean, followed by the Bahamas at 49 (UNDP 2013).

Central to these achievements is the committed investment to the education sector. Research conducted by Grenade and Lewis-Bynoe (2010) found that public expenditure on education was one of the key determinants of growth. The education system is perceived as one of the elements in redressing the imbalances created by economic globalisation, by providing children and adults with the opportunity to participate in the global economy by obtaining the requisite credentials and skills. While economic globalisation has marginalised some groups in society, they have been reincorporated through access to education (Hypolito 2008: 152).

The success of some SIDS have led World Bank analysts Easterly and Kraay (2000) to argue, even though unsuccessfully, that 'small states are no different from large states and so should receive the same policy advice that large states get' (Easterly and Kraay 2000: 2013). Easterly and Kraay maintain that 'if small size is a disadvantage, then these states must suffer with a vengeance (and they) must on average be less developed and grow less rapidly than larger states' (Easterly and Kraay 2000: 2014). Even though they noted that in small states 'the per capita income, GDP and growth rates are more volatile due to their much greater exposure to international trade and fluctuations in their terms of trade' (Easterly and Kraay 2000: 2014) they still contend that SIDS do not represent a special case.

Their argument is based on the syllogistic assumption that 'if small states suffer from the disadvantages of smallness, they should be poorer on average than larger states' (Easterly and Kraay 2000:2015). Easterly and Kraay's (2000) research represents a gross misunderstanding of the issues experienced by SIDS. There is a weakness in their position since absent from their analysis is the acknowledgement that a significant number of SIDS citizens reside overseas and much of these countries' GDP is as a result of family remittances (Quarless 2004). Likewise, heavy investment in health and education has allowed small states to improve and broaden their



human resource base, thereby affording them the opportunity to focus on service industries (tourism and offshore banking and financial services) which contribute largely to their GDP growth (ibid: 2015).

According to Easterly and Kraay, one of the advantageous of small island states is that they have 'more cohesive populations' (Easterly and Kraay 2000). Again, there is a weakness in their position as this fails to recognise that the cohesion they refer to and these stable and strong social and political institutions, are being dismantled by neoliberal and OECD policies which constantly attack the very fragile service industries that account for the relatively moderate growth and development in these societies (Briguglio 1995).

Their partial analysis is of much concern since it speaks to the quality of research and investigation which influences the World Bank's policy agenda. It is research such as this which influences the decisions that account for the lack of assistance offered to SIDS. Despite their constant appeals to the international community, development assistance to SIDS over the years has been reduced by half (Quarless 2004). This has been rationalised on the grounds that these countries are achieving higher levels of social and economic growth than the less developed countries whose situation has been perceived as more urgent and direr.

Similar to Easterly and Kraay, Sachs (2004) claims that the needs of SIDS are not as pressing or critical as those of the landlocked less developed countries whose 'geographical distance from markets and reliance on neighbours' make them a special case (Sachs cited in Campling 2006: 250). However, the social achievements of Small Island Developing States like Barbados, as measured by the United Nations Human Development Index, often distort the reality of SIDS (Quarless 2004). By treating their vulnerability with such scant regard, understood only in

quantitative measures like the gross domestic product, there is a failure to recognise that the lack of understanding regarding their plight results in poor policy prescriptions that impact on the lives of real persons and not theoretical dummies in an economist's mathematical formula.

The concept of vulnerability is particularly problematic. Vulnerability is not limited to a country's gross domestic product or human development index ranking; it is about how sustainable these developments are. Bishop (2010) for instance notes that for SIDS it is not the geographical size or wealth of the countries, but their vulnerability that matters. He distinguishes vulnerability from poverty or underdevelopment. Vulnerability is understood as being 'highly susceptible to a range of exogenous, natural, social, political and especially economic shocks' (Bishop 2010:7). Furthermore, Bishop questions 'the quality of growth and development in SIDS, noting that the rise of entrepreneurship in these societies is 'inhibited by a parasitic dependence upon migration, remittances, aid and bureaucracy' (ibid).

In keeping with Bishop's observation, Briguglio (1995) notes that the vulnerability of SIDS is amplified by their inability to protect themselves from external forces and shocks. Their relatively high GDP, per capita income and high ranking on the UN's Human Development Index have led some to erroneously conclude that small might actually be an advantage. He advises that 'the success stories of some of them were probably achieved in spite of and not because of their small size and insularity' (Briguglio 1995: 1615).

With closer scrutiny it is revealed that the achievements of SIDS have come at a very high cost. Since subsidising and, in most cases, directly financing some services and sectors like education, health and housing, resulted in large national debts when the economic crises occurred in the 1970s, 1980s and 1990s (Huber 2005:87). Pierson reminds us that expansion of social policies

requires 'extensive administrative and financial resources' (Pierson 1996: 151) and in the case of Caribbean Small Island Developing States most of these social provisions have been made possible through external and fiscal funding (Prasad, Hypher and Gereceke 2013).

Cutting government expenditure, and by extension social spending, can result in retrenchment, political instability and social dislocation in SIDS. This is for the very simple reason that 'some small states rely heavily on the government as a primary source of income and economic dynamism' (Bertram 2011: 2). They usually have larger public sectors which also means greater and 'more equitable levels of prosperity among the population' (Prasad, Hyper and Gerecke 2013:8). This is not necessarily a negative factor, but serves as a bonus since it means that these states are largely characterised by consensual politics, where the government, labour and the private sector equally participate in public policy (ibid).

The case of Barbados represents a clear example of how this factor has worked in the country's favour. The relationship in Barbados between the government and social partners (trade unions and the private sector) played a significant role in offsetting negative policy influences and pressures from international financial institutions, mainly the International Monetary Fund and the World Bank, that would have seen the country adopting what were regarded as negative policies (devaluation and increased trade liberalisation) to cause an erosion of longstanding social and economic gains (Griffith 2002 cited in Grenade and Lewis- Bynoe 2010: 6).

The evidence has therefore suggested that the welfare state model has survived in some high and middle income SIDS because of the strength of their social and political institutions (Bertram 2011). They operate as key factors in opposing drastic economic and social reforms advocated by international financial institutions. Indeed, Huber (2005) notes that 'the political orientation,

the strength of the unions and the power of the opposition parties' have formed part of the resistance against neoliberal impositions (Huber 2005:95). She asserts the view that the extent of the international financial institutions influence is often limited, and often has to be modified when confronted with oppositional forces (Huber 2005, 1996).

In fact, Huber goes on to explicitly state that,

yet despite the devastating impact of the debt crisis on all countries in the region, despite the formidable ideological backing the IFIs model of social policy reform in international forums and in the leading media outlets, and despite the use of conditionality in structural adjustment loans to get countries to accept that model, the significant differences ... in approaches to structural adjustment in the 1980s and the social policy reforms in the 1990s demonstrate that domestic political power constellation has an important mediating effect on those pressures emanating from globalization (Huber 2005:93).

These things are important to know because they play a crucial role in understanding public policy and how it responds to, and is shaped by, external forces.

As with the developed countries, the trade unions have also remained a critical part of the welfare state in SIDS. The bargaining power of the labour movement is perceived as the one mitigating factor which determines the extent of government spending on social sectors (Wibbels 2006: 437). When neo-liberalism threatens the state's ability to maintain its commitment to the provision of social benefits, the trade unions have stepped in and have acted as a resistance force.

The state in these uncertain times cannot be counted on or trusted to secure the rights of workers or to maintain their longstanding relationships with trade unions (ibid). Although, however, Lewis and Nurse (1994) remind us, that for the Caribbean SIDS this might be particularly challenging since the unionist and the politician are sometimes one and the same (Lewis and Nurse 1994: 193). This view is also shared by Kiely (1996) who observes the close relationship between the development of political parties from within trade unions in the Caribbean. He notes that ‘in third world societies trade unions often play a more explicitly political role than similar organisations in advanced capitalist countries’ (Kiely 1996:40). Caribbean trade unions have used their advantageous position of being close to the seat of governance, and indeed policymaking, to the benefit of their members (Lewis and Nurse 1994: 199). This close association resulted in social policy and welfare provisions for workers becoming a critical and significant feature of the political agenda in these states (Harrison 2011).

From the 1930s onwards, trade unions have always been central to the social and economic development of individual Caribbean states. Traditionally, they have not just been involved in bargaining and negotiating but they have also helped their members secure financing for housing and other essentials through their cooperatives (De Peiza 2006). Jose (2002) contends that ‘the goods and services they produced had a moderating influence on prices; they helped consumers to stretch their income and derive greater benefits from limited resources’ (Jose 2002: 9). This has allowed them to maintain their position as a permanent and indispensable fixture in the Caribbean SIDS.

In the contemporary period, however, unions have been accused by politicians and private sector organisations as being anti-development and insensitive during periods of economic austerity, since their wage demands have been said to be out of sync with reason and in many cases serve

to scare away investors (Stavis and Boswell 1997, Marshall 1993). Similarly, they have been attacked for pressuring governments for increased wages even in austere times (Lewis and Nurse 1994: 192). Despite this, however, Jose (2002) has advanced the view that, contrary to popular belief, globalisation has not destroyed the labour movement. Instead it has, over the last two decades, been active. Within developing countries they have returned to their grassroots base and have also included a new set of constituents: women and the unemployed (Stavis and Boswell 1997). Indeed some have argued that it has been left to the trade unions to defend the 'weakening rights and a deteriorating social welfare system' (ibid: 97). The labour movement has had to be forceful in having its issues considered. IFIs do not have the general interests and wellbeing of labourers at heart. These institutions (IFIs) as it relates to labour are only focused on averting the onset of social unrest or dislocation that would disrupt the implementation of austerity programmes or the global economy (Stavis and Boswell 1997).

According to Jose, 'as globalisation bore down heavily on the lives of the working poor in developing countries labour became militant' (Jose 2002: 10). They have formed part of the ongoing resistance and protest action against unfair and unsustainable capitalist measures, and by doing so have presented themselves as a countermovement against capital and at times the state (Jose 2002: 10).

Wibbels (2006) argues, on the other hand, that the international environment shapes and influences how domestic institutions function, and this in turn affects social spending. He strongly suggests that while domestic factors, social institutions and active trade unions are relevant they are, by and large, constrained by international demands. In these situations, governments often have to face the difficult choice in times of crisis, of whether to cut their fiscal deficit in order to maintain their exchange rate or devalue the currency; and in

implementing either of these options, social expenditure is of necessity reduced (Wibbels 2006: 438). Nonetheless, the labour movement's resistance has not been in vain, its constant agitation has brought social and labour issues to the fore to be addressed by neoliberal proponents and their institutions (Stavis and Boswell 1997, Kiely 2002, 2010).

## **2.5 Deconstructing Neo-liberalism- Karl Polanyi and the Self-Regulating Myth**

While studies have acknowledged the continued presence of welfare state models in both developed and developing countries their sustainability is productively understood through Karl Polanyi's theoretical concept of the double movement, which is explained as resistance to the expansion of market forces. Yet, before this is done Polanyi first deconstructs the notion of the self-regulating market and provides, through his work, a powerful historical anthropological review of the evolution of the market system. He concludes that the emergence of market liberalism was a deliberate state intervention brought about through market friendly legislation and policies (Polanyi 2001: 67).

Polanyi takes us on a virtual chronological odyssey, starting with pre-industrial society and ending with the emergence of the social democratic welfare state in the 1950s; and by doing this through his empirical research he discloses that:

economic history reveals that the emergence of national markets was in no way the result of the gradual and spontaneous emancipation of the economic sphere from government control. On the contrary, the market has been the outcome of a conscious and often violent intervention on the part of government which imposed the market organisation on society for noneconomic ends. And, the self-regulating market of the 19th century turns out, on closer inspection, to be

radically different from even its immediate predecessor, in that it relied for its regulation on economic self-interest (Polanyi 2001: 258)

For Polanyi, the markets were in earlier times 'accessories of economic life' (Polanyi 2001:71) and in previous civilisations 'the economic system was absorbed into the social system' (ibid). Therefore, from this observation he concludes that the self-regulating market proposed by the liberalists was not based on the evolution of market relations, but instead is an abnormality of the system. Polanyi revealed that only in the 19th century with the emergence of liberal ideology was there an attempt to extricate the economy from society, where social life became influenced and determined by economic characteristics and determination. This act was once again repeated in the 1920s with the re-emergence of liberalism where society was subordinated to the economy. The market reigned supreme over human wellbeing, and life revolved around, and became intrinsically linked to, the functioning of the market economy (Polanyi 2001:26)

Polanyi's careful and detailed analysis reveals that market liberalism was only made possible by deliberate political action by the state, through legislation which supported economic liberalisation (Bugra 2007: 174). Strong state intervention was required to pave the way for the free market, and great efforts were made through legislation to remove any barriers to market liberalisation (ibid: 176). According to Polanyi, 'there was nothing natural about laissez faire, free markets could never have come into being merely by allowing things to take their natural course - laissez faire was enforced by the states' (Polanyi 2001: 145). The government played an active role in facilitating a laissez faire market system not only through legislation but working on behalf of capitalist interests it was also charged with the task 'to collect statistics and information to foster science and experiment' (Polanyi 2001: 145). Hence, the free market economy required more not less government intervention. In other words, the government



performed the dual role of enabler and facilitator. Administrators had to be constantly on the watch to ensure the free working of the system. Thus, it is disclosed that those whose whole philosophy demanded the restriction of state activity could not but entrust the same state with new powers, organs and instruments required for the establishment of *laissez faire*' (Polanyi 2001: 147)

Polanyi, therefore, concluded that the concept of a self-regulating market was a myth, a very dangerous myth (Stiglitz 2001: viii). His research demonstrated that free market ideology was deliberately conceptualised to support capitalist interests in both the 19th century with the Industrial Revolution and the 20th century just before the Great Depression (Stiglitz 2001: viii). He argued that far from having an invisible hand the market economy had a very noticeable helping hand in the form of strong state intervention. The state, through deliberate legislative action, was responsible for expanding the market and hence facilitated the emergence of the free market (Birchfield 2011: 36; Bugra and Agartan 2007: 2).

Key instances of this included state legislation in the 19th century that resulted in the commodifying of labour and land, allowing them to be incorporated into the market system. Labour, once it becomes a commodity, means that human beings are not just employers but employees, and their usefulness or employability is only made certain if their skills are desired by the market thereby becoming subjected to the demands and vagaries in the market system (Polanyi 2001: 79).

This is very relevant to our analysis of the influence of neoliberal philosophy on ordinary people's lives in the contemporary period, and the subsequent reaction and resistance to its imposition. In the 20th century, the market economy had been resurrected with great force

(Bugra 2007) and similar to 'their predecessors, neo-liberals insist that all nations have to do is trust in the effectiveness of self-regulating markets' (Block 2001: xxxiii). Yet, the architects of the contemporary period have gone further (Bugra 2007: 176). The expansion of neoliberal ideology has meant that everything everywhere, and in some countries anyone, is for sale and can be traded (Latham 2000: 76). The expansion of the market system has meant that previously protected areas and public services are now commodified and drawn into the market to be bought, sold and traded as private entities. Public services such as education, healthcare, welfare and public utilities are all now incorporated into the global market sphere with 'no connection to (the) social needs that there were initially created for, under the guise of efficiency' (Latham 2000: 78).

The neoliberal ideological stance is the antithesis to social democratic welfare states, as it is 'deeply opposed to social public sector expenditures devoted to welfare, job creation, environmental protection, health care, education and even the alleviation of poverty' (Chin and Mittleman 2000: 46). Instead, the state has been redefined, moving from a welfare status to a competitive position. Its previous role of protecting its citizenry (social welfare) has been transformed to promoting economic growth and free trade. The state has now redirected its interests to developing market friendly policies, although it no longer plays an overtly direct role in economic affairs as before, it, nevertheless, actively participates in the process. The state no longer protects its citizens from the harmful effects of the world economy, 'rather, it... increasingly facilitates globalisation, acting as an agent in the process' (Desai and Potter 2002: 431).

Nonetheless, we are reminded by Mendell and Salee (1991) that neoliberal policies were not accepted or 'adopted because neoconservatives had won some academic debate, they were

adopted because ... memories of the horrors of the 1930s faded' (Mendell and Salee 1991:16). It is here that Polanyi's work becomes crucial to our understanding of why the concept of a self-regulating market is a dangerous myth, and why he hoped that through his work, and vivid descriptions of the horrors that took place in the name of liberalism, those policies would never be revisited.

Polanyi warned that 'to allow the market mechanisms to be the sole director of the fate of human beings and their natural environment ... would result in the demolition of society' (Polanyi 2001: 76). The continued havoc wreaked on society by market liberalism could not 'exist for any extended period without annihilating the human and natural essence of society' (Bugra 2007: 173). When economics and finance take precedence over societal needs and social wellbeing the effects are disastrous: increased organised crime, political protests, and social turmoil (Stiglitz 2001.) According to Polanyi (2001), liberal ideology applied during the Industrial Revolution provided a clear example of the devastating impact which unrestrained market liberalism had on society. It resulted in a situation where 'country folk had been dehumanised into slum dwellers, the family was on the road to perdition, and large parts of the country were rapidly disappearing under the slack and scrap heaps vomited forth from the satanic mill' (Polanyi 2001: 41).

Parallels can be drawn between the effects of market liberalism in the past and events of the contemporary period. Despite historic evidence which shows the destructive nature of market forces (Bienefeld 2007), 21st century society, as it did under the liberal political influences of the two preceding centuries, is once again at the mercy of the market. However, the current situation is direr than in the 1930s with the Great Depression, since 'global capitalism is proving increasingly incompatible with social justice, ecological sustainability and the rule of law nationally and internationally' (Devine 2007: 45). The application of neo-liberal laissez faire has

meant that a 'substantial proportion of the world's population lives in vast seas of poverty and in situations characterised by insecurity, economic deprivation, ecological degradation and violence' (Gill 1995: 70)

As they did in the past, 'once again, exchange rates have become weapons of economic warfare ... once again those debts have become hammers that are used to crush demands for social improvement on the anvil of fiscal responsibility' (Bienefeld 2007: 19). Within this contemporary period, as in the 1920s and the 1930s, governments have to choose between protecting and looking after their citizen's wellbeing or reducing their deficits (Block 2001: xxxv). As the debt burdens increase to dangerous levels governments' focus becomes more about economic outcomes as less attention and consideration are directed to social matters (Bienefeld 2007: 17). The financial crisis of 2008 bears testimony to the fact that unchecked and unregulated markets can have disastrous effects on the general population.

One example of this is that governments, particularly in developing countries, are no longer in control of their national budgets or development plans; these are now being dictated to, and fashioned by, external forces, mainly in the form of International Financial Institutions (IFIs) loyal to the neo-liberal project (Gill 1995: 77). Those states that fall out of line are disciplined by neo-liberal proponents, particularly in their insistence on stringent structural adjustment programmes (Gill 1995: 69). IFIs act as 'enforcers of the global logic of the market, especially in those parts of the developing world for whom the 1980s had been such a disaster' (Mendell and Salee 1991:17). Implementation of these policies were further accelerated by the Washington based institutions such as the World Bank and the International Monetary Fund, and their regulatory arm the World Trade Organisation in Switzerland.

## **2.6 Unplanned Resistance to Unrestrained Markets: The Double Movement, Countermovement and the Social Democratic Welfare State**

Having warned us of the consequentially disastrous impact which unregulated markets have on the human condition, Polanyi's thesis demonstrates through an analysis of historical events that this situation is not infinite and society has always rebelled against these impositions: against the commodifying of land, labour and money (Bienefeld 2007).

Through his concept of 'the double movement', Polanyi observes the dialectic relationship between the market economy and society. That is, as the market economy expands it starts to annihilate society by destroying social and welfare systems, but while the expansion is occurring the society protects itself and fights against the vicissitudes of the market (Birchfield 2011:38). Thus, as the liberalists push for complete economic liberalism this creates the environment for a double movement as various groups and segments in society work to actively resist the continued expansion and influence of neo-liberal policies on human society (ibid: 19)

Polanyi's examination of societal responses to the dreadful impact of the Industrial Revolution and the Great Depression reveals the emergence of resistance groups such as the trade unions and the Chartists, who advocated for improved social and working conditions. His research demonstrates that people would naturally fight against any system of social injustice which seeks to take away their democratic rights (Bugra and Agartan 2007). This resistance or countermovement was perceived as being vital for the 'protection of society' (Bugra and Agartan 2007: 3). It was an inevitable response to market forces as human survival was challenged and social and financial insecurities increased and became widespread (Bienefeld 2007:15). The countermovement is 'a reaction against a dislocation which attacked the fabric of society and which would have destroyed the very organisation of production that the market had called into

being' (Polanyi 2001: 136). Added to this it was a natural unplanned response in comparison to planned liberalism (Polanyi 2001).

The countermovement came in the form of protective legislation, social legislation and various forms of agitation through trade union demands (Bugra and Agartan 2007: 3). Governments, through legislation, have always had to intervene to protect the labour force; and although the task of social protection, in Polanyi's opinion, fell by default to the government, since its primary responsibility was to see after the welfare and wellbeing of the society, he also recognised the role of trade unions in this process (Polanyi 2001: 162). Polanyi saw the trade unions as protective institutions that operate, by and large, to counter the effects of the self-regulating market system (Polanyi 2001: 81).

Through the use of 'protective legislation, resistive association and other instruments of intervention' society protected itself from the 'deleterious action of the market' (Polanyi 2001: 138). This legislation often focused on public health, education, public wellbeing and the provision of public goods and services. Quite often, this protective legislation was put into effect by strong liberal proponents and not socialists or nationalist proponents (Polanyi 2001: 153)

This countermovement, however, was not and is not a proletarian revolutionary response to market influences, but all segments of the society are involved. Through historical analysis Polanyi shows how even the business class and the merchants seek protection from various aspects of the market. Precisely because the social interests of different cross sections of the population were threatened by the market, 'persons belonging to various economic strata instinctively joined forces to meet the change' (Polanyi 2001: 162).

Therefore, for Polanyi the collectivists' countermovement had nothing specifically to do with social class and incomes. According to him, 'the collectivist measures enacted in the critical years revealed that only in exceptional cases was the interest of any single class involved (ibid). Specifically, he points to the protective legislation related to 'health and homesteads, public amenities and libraries, factory conditions and social security' which speaks to all classes (Polanyi 2001: 161).

His account of past resistance policies and strategies discloses that as market forces bore down upon society there was a collective call for protective legislation. No one was shielded from the market, and 'even the capitalist business itself had to be sheltered from the unrestricted working of the market mechanism' (Polanyi 2001: 201). Polanyi thus cautions that unlike the Marxist analysis 'all this should warn us against relying too much on the economic interest of given classes in the explanation of history' (Polanyi 2001:163)

Having considered and observed the various state models of his day, Polanyi concludes his analysis by noting that the social democratic welfare state represented the best political arrangement to protect the society from the devastating impact of the free market. According to Devine (2007), 'the social democratic welfare state ... can be interpreted as being the high point of Polanyi's countermovement, in which society succeeded in effectively protecting itself from the worst ravages of the free market' (Devine 2007: 34). The welfare state represented an environment where capitalist intentions co-existed with human needs through state regulation (Bienefeld 2007: 20).

Polanyi, nonetheless, did not harbour any naive or romantic notions about the social democratic welfare state. While he perceived it to be the most appropriate response to the market economy,

he expressed caution at being overly optimistic regarding protective legislation which in the end does not seek to undo market power, but 'have made it even more feasible by softening its ravages and avoiding its total de-legitimisation among affected populations' (Latham 2000:79). Likewise, although he saw the state as the agent of change he did not call for a singular resistance strategy, but a heterogeneous unifying approach that incorporates several strategies used by various stakeholders and domestic actors (Latham 2000: 83).

This is particularly relevant for the 21st century since other domestic actors and organisations undertake the protective role as some states have abandoned their political duty or are too incapacitated to exercise agency (Latham 2000:81). This is true of those developing countries that find themselves too debt burdened and weakened to resist structural adjustment programme conditionalities. In those cases, the countermovement must be left to other domestic actors like the trade unions and civil society organisations to protect the vulnerable (Latham 2000: 80).

Issues of social dislocation and disintegration as a result of unbridled market liberalism have re-emerged within the 21st century leading to the belief that there is a 'renewed disembedding of the economy from social relations on a global scale' (Gough and Wood 2004:20). According to Stevis and Boswell (1997) this has resulted in a situation where 'labour, women, environmentalists and other progressive movements are in an almost 19th century situation of seeking global enfranchisement' (Stavis and Boswell 1997: 96). The global response to this situation has been national and at times international protests as witnessed in 1999 with the Seattle WTO protests (Kiely 2005) and the 2010 United Kingdom students' protests.

It has been suggested that while labour and the anti-capitalist movements advocate for improvements at the domestic level, there is a need to employ a long-term collaborative



transnational approach (ibid). More specifically Kiely (2005: 136) asserts the view that any form of 'resistance should therefore focus on those international institutions that are said to represent the interest of transnational capital such as the WTO'. He nonetheless shares the view of Stevis and Boswell (1997) that domestically, regionally and internationally the labour movement has been divided over the different needs of their constituents which are specific to their localities whether in the industrial North or the developing South (Kiely 2002; Stevis and Boswell 1997). These differences need to be addressed with the understanding that the rights of citizens in both the North and South cannot be secured if the resistance movement is fragmented.

## **2.7 Conclusion**

So, whither the welfare state? In spite of the predictions of its demise it has survived even in the face of several economic slumps, global downturns and recessions (Rudra 2002).

The research has disclosed that welfare state models are not static, and they have been able to adapt to global changes both positively and negatively (Glatzer and Rueshemeyer 2005:16). Of course, all and sundry bear the consequences (whether good or bad) from such adaptations, since everyone, especially the private sector more so, benefits from continued social sector spending (Stephens 2001). Its survival, or at least the commitment to social spending, is in no small way attributed to political ideology and institutions. The bottom line is politics matters; and when all is said and done, governments ultimately must decide whose interests come first, whether creditors and international financial institutions, or their citizens. However, an integral part of the welfare state's endurance is the pressure and influence of strong trade unions and labour's ability to organise itself (Rudra 2002: 436)

Welfare state provisions are not luxuries, but are necessities (Glatzer and Rueshemeyer 2005). They are needed in small, open and dependent economies with population sizes of less than a million people, since the impact of neoliberal policies on these societies tend to be more wide scale and direct (Bertram 2011). The evidence has suggested, however, that in spite of international pressures to reduce their social spending, these states choose to resist those demands; and, although incurring the ire of the IFIs, instead put the interests of the working class (the masses who are in the vast majority) first and foremost.

To a large extent, the social democratic policies within these countries have been sustained through the combined efforts of the state, the labour movement and other domestic actors, such as civil society organisations (MacGregor 2005). They have demonstrated through their commitment and tenacity that states, despite their size and lack of global weight, can still choose their development path; and that there remains room to express some level and measure of agency in resisting neoliberalism (Glatzer and Rueshemeyer 2005:204). With limited natural resources the success and sustainability of such policies, however, are always tenuous, since these hinge on many variables outside of their control, and these must be taken into account.

Developing states have been challenged by economic globalisation through structural adjustment programmes sponsored by the World Bank and IMF (Wibbels 2006). These economic programmes have been identified as being largely responsible for these countries' inability to remain, at times, fully committed to investing in social programmes for their citizens and by extension the social democratic welfare state model. Structural adjustment programmes have been influenced by neoliberal ideology which promotes market liberalisation and expansion (Rapley 1996). The end result of its application to development policy has been increased poverty and social dislocation on a global scale (Zack-Williams 2000).

Nevertheless, as noted above the social democratic welfare state model has survived and its sustainability and resilience can be analysed through Karl Polanyi's deconstruction of the self-regulating market which he concludes is a myth (Stiglitz 2001). Through his historical assessment on the emergence of liberal ideology in the 19<sup>th</sup> century through to its re-emergence in the 20<sup>th</sup> century Polanyi (2001) demonstrates that the market is not self-regulating but receives significant help from the state through the adoption of market friendly legislation and policies (Polanyi 2001). His theoretical concept of the double movement is used to explain resistance towards market expansion led by the trade union movement and the government (ibid).

Within the 21<sup>st</sup> century Polanyi's theoretical concepts are once again relevant as unregulated market expansion has been marked by increased insecurity, social dislocation and mass protests in both developed and developing countries (Gough and Wood 2004). In response to this, anti-capitalist movements, trade unions and other civil society organisations (religious groups, retirement associations, etc) have protested against the imposition of market forces on the social sectors (Kiely 2005). The continued presence of social democratic welfare state models across the globe demonstrates that this resistance is not futile.

An example of this continued presence can be found in the Small Island Developing State of Barbados, as demonstrated in the next chapter which uses this country as a case study. The following chapter highlights the influence of British colonial policy on the rise of the social democratic welfare state model in Barbados and the consequent emergence of trade unions and political institutions on the island. The chapter discloses that the adoption of the social democratic welfare state model has been credited with the country's social and economic development and growth.

## **Chapter 3**

### **The Political Economy of Education in Barbados: 1930-1980**

This chapter sets the framework for analysing and understanding the emergence of the social democratic welfare state model in Barbados and its influence on the country's current development, as well as the role that the education system played in achieving this. It follows the trajectory of Barbados' political economy, dating back from the colonial era (pre-independence) to the post-independence period and provides a rationale for the focus on the education system and its importance to the country's social development and economic growth. The purpose here is to include in the discourse on social democratic welfare states in the developing South, the influence and impact of British colonialism on the British West Indies and the development of their political institutions and social policy.

While not disputing Gough and Wood's (2004) analysis of welfare states in developing countries, this chapter, through the case study of Barbados and its education system, addresses the absence of colonial dominance, specifically the impact of slavery on race and class relations and its lasting legacy on the development of these countries especially in the British West Indies, in their analysis (Gough and Wood 2004). The chapter also demonstrates the central role which the trade union movement and the education sector play in Barbados' development. It is argued here that the adoption of the social democratic welfare state model supported the role of the education system as a transformational tool moving the country from an agricultural society to a service oriented one.

The chapter is divided into two sections. The first section examines the socio-political context of the Barbadian society during the colonial period of the 1930s to 1950s and the role which the

education system played in maintaining political and economic structures. It also examines the emergence of social democratic principles within the political economy of Barbados and the British Labour Party's influence in that transformation. The second section then goes on to provide an analytical review of the period 1960 to 1980, and focuses on the government's use of the education system to transition Barbados from its heavy dependence on sugarcane production to a more diversified economy based on tourism, manufacturing and offshore services.

### **3.1 The Political Economy of Education 1930s to 1950s**

Barbados was a British colony from 1627 until its independence in 1966. At the turn of the 20th century, Barbadian society remained in a similar state to the one that prevailed in the emancipation period from 1838 to 1938, where the economic and political landscape was dominated by an oligarchy that maintained tight control of the legislature (Beckles 1996). This group consisted of a white planter-merchant upper class and members of the colonial office such as the Anglican Bishop and the Governor (ibid).

The Barbadian Legislature operated under the Old Representative System hence the island was never a Crown Colony (Yates 1998). This system consisted of the Governor (appointed by and from England), who represented the British monarchy; a Legislative Council, commonly referred to as the Upper House; and the House of Assembly (the Lower House). Membership of the Legislative Council, which was selected by the Governor, was based on the 'ownership of freehold land worth £1,500 or an annual income of £200' (ibid: 7). In addition to the Governor and the Legislative Council, there was the Lower House, whose membership consisted of two representatives (a senior and junior member) from each of the 11 parishes as well as two representatives for the City of Bridgetown. As with the Upper House, membership of the Lower

House was dependent on a qualification based on property holdings or professions, such as medicine and law.

In an examination of the Barbados Legislature, Belle (1974) notes that it was almost impossible for members of the working class to be represented in Parliament, in either the House of Assembly or the Upper House. To understand Belle's claim a statement published by the Colonial Office on this matter clearly suffices. The Colonial Office noted that,

In 1937, the qualifications for a member of the House of Assembly were set out by Section II of the Representation of the People Act 1901 which states that (i) Ownership of 30 acres of land with a dwelling house of the value of not less than £300; (ii) ownership of any real property of the absolute value of £15000; (iii) beneficial interest in a property, the rental value of which is not less than £200. The qualifications for voters are set out in Section III of the same Act as (i) possession of land or freehold property for at least twelve months prior to the claim to be registered; (ii) possession of land, house or place of business parochially assessed at £15 per annum; (iii) payment of taxes of not less than £2 per annum in respect of Bridgetown, and of not less than £1 in respect of parochial constituencies; (iv) receipt of a salary or income of not less than £50 per annum (v) recognition as barrister, solicitor, physician or surgeon or holding a degree of any university of the United Kingdom (Colonial Reports: Annual Report on Social and Economic Progress in Barbados 1937-38. His Majesty's Stationery Office London, cited in Belle 1974:34)

This is significant since the evidence suggests that in,

1937, only 150 families had an income of more than \$10,000 a year, 150 more than the average income of \$3,400. On the other hand, 97% of Barbadian households or 42, 7000 families had an average income of \$5.83 a week (ibid: 34)

During this period 77,000 of the island's 106, 470 acres of land was owned by approximately 250 persons who were members of the plantocracy (Belle 1974:24). This clearly demonstrates that the political and economic machinery and rights of the country were controlled by 'a white minority, who only represented 7 per cent of the population, that is, 6,619 out of a total population of 190, 939' (ibid; Karch 1981). These rights that they enjoyed, however, were withheld from the black majority, who constituted the working class and who were landless wage earners (Karch 1981). This situation resulted in the population becoming strictly stratified along racial and class lines, to the extent that one's race was synonymous with one's class (Howard 2005:4). In the middle, there were a very small group of merchants and other professionals comprising Jews, Syrians, coloured and a handful of black persons (ibid: 215).

Prior to emancipation, all the arable land in Barbados was divided into plantations. After emancipation in 1838, the status quo still remained intact (Dann 1984:44). There was little or no possibility for the development of a peasantry without land reform. This is best explained when one understands that Barbados' socio-political structure at that time left the workers at the mercy of the planter class, for they (the workers) remained heavily dependent on them for employment, particularly with the passage of the Masters and Servants Act after emancipation (Lambert 2006). That Act was specifically passed in the local Parliament to guarantee the planters a steady supply of agricultural wage labour, for five days a week (Lambert 2006:241).

Barbados' labour situation was the most conspicuous among the colonies in the region, for in addition to having the worst living and working conditions it was also notorious for paying the worst wages even in a low-wage era throughout the British West Indies; and this unconscionable situation was exacerbated and fuelled by high levels of unemployment and underemployment (Beckles 2004:6). Reduced wages and high unemployment, therefore, significantly reduced the already low standard of living for the average worker (ibid: 158- 159). Commenting on the issue of underemployment and low wages in Barbados, the West Indian Sugar Commission (1964) regarded the wages paid as so low 'that it would be intolerable to attempt to reduce them' (Williams 1964:284). The Commission noted that the 'economy rests entirely upon the labour of a very low paid landless labouring class, the conditions of which (were) extremely deplorable' (ibid).

Consequently, the country exhibited most of the characteristics of a typical underdeveloped society (Howard 2008). The first symptom was that of the growing population. The Barbadian population grew at an annual rate of 1.17 percent (Walrond 1996:69). From as early as 1844, Barbados was classified as a densely populated island. Whereas this did not matter during slavery, except at the time of slave revolts, it did count significantly after emancipation, in relation to the provision of wages and the availability of employment. Planters increasingly found that the market conditions in Britain were also becoming unfavourable, which had an adverse impact on employment and wages (Beckles 2004:3).

For the first time, they were experiencing a decline in the value of cane sugar because of competition from beet sugar in Europe, as well as the competition from the sugarcane plantations in Cuba and Puerto Rico, which resulted in the price of sugar plummeting (Karch 1981:219; Howard 2005:5). In addition to this, the Sugar Duty Act of 1846 which removed 'the preferential



duty on sugars from British colonies resulted in both colonial and foreign sugars (being) subjected to a duty of 14 shillings per hundred weight' (Newton 1984:7). Moreover, creditors within the United Kingdom anticipating that the Barbadian planters would be unable to repay their loans, refused to advance credit to them. These events, therefore, aggravated the already deplorable conditions within the colony (ibid: 8).

To increase their competitiveness, Barbadian planters hired fewer workers and reduced the already low wages by another 20 to 30 percent even though the colony already had the lowest wages for labourers throughout the British West Indies (Beckles 2004:1; Newton 1984:15). The plight of the workers was reflected in their social conditions, with destitution and malnutrition becoming widespread (Howard 2005: 4-5). In addition, the colony had a high infant mortality rate, low life expectancy, poor sanitation and inadequate housing (ibid; Beckles 2004).

The only route which the labouring class had to ameliorate its living conditions and day-to-day existence was through the limited channels of education and migration (Newton 1984). Barbadian labourers from as early as 1835 were migrating to other colonies such as Trinidad and British Guiana, where wages were high (Newton 1984: 21-23). Barbadians also went in great numbers to Panama to assist in the construction of the canal; and to Cuba to work on the sugar estates there. Emigration, therefore, acted as a buffer, by temporarily alleviating the plight of the Barbadian working class (ibid: 21-23). Writing on migration in Barbados after emancipation, Rodney (1977) noted that 'Barbados was the then principle West Indian island from which labour was transferred' (Rodney 1977:1). Persons often perceived emigration as one 'of the means of freeing themselves - even if temporarily - from plantation labour and the stigma of slavery that was attached to it, as a means of shedding the seemingly permanent lower class status to which the West Indian social structure condemned them' (Newton 1984: 7). However, a number of

notable events occurred throughout the late 1920s and 1930s which resulted in the closure of several migration opportunities. The completion of the Panama Canal and the Great Depression in the United States (US), which affected the Cuban sugar plantations that were financed by US investors, led to a drastic decline in the traditional migration avenues (Karch 1981: 219).

Added to the plight of the masses was legislation forbidding the formation of unions or the organisation of labour (Hart 1996: 370 -375). Without the security of collective bargaining the workers had very few options and avenues for improving their living conditions. Under the Old Representative System, the majority of people in the society had no influence on the direction of the country's policies and, therefore, could not demand better working conditions as a result of the restrictive franchise (ibid). They could not agitate for social reforms or equal income distribution because they had no vote. As migration routes dwindled and with no machinery to agitate for reforms persons focused their attention on the other way to achieve social mobility, that is, through education.

Although formal education was introduced into Barbados in 1686 with the establishment of a charity school for poor white children, it was not made accessible to other children, principally those from the labouring classes, particularly during the period of slavery where the education of slaves was illegal (Government of Barbados 2000). However, the abolition of slavery in 1833 hastened the need for the plantocracy to find another form of social control over the working class, since physical punishment became illegal with the proclamation of emancipation (Bacchus 1990: 268). Education eventually took that place in the new repertoire of social control (ibid). The planter class, supported by the Imperial Government, was concerned that any form of secular education would threaten existing social stability, therefore, education provided at the elementary level focused heavily on religious and moral instruction (Bishop et al 1997: 326). It

was decided that the children of ex-slaves would be provided with elementary education paid for by the state, but offered through the local Anglican vestries, whose values clearly reflected those of the colonial government.

For that reason, the introduction of elementary education served the dual purpose of appeasing the working class who anticipated that their socio-economic milieu would change with their new emancipated status, and it would also in turn help 'the planters to overcome some of the immediate problems which they faced with their black labourers during this critical period of West Indian history' (Bacchus 1990: 270). Bacchus (1990) puts forward the argument that the heavy emphasis on moral and religious instruction served to reinforce the values and virtues of hard work and obedience, which most likely would have maintained the existing socio-economic system and political stability (ibid). Social control was therefore preserved through the education system with its strict adherence to religious instruction and discipline. The education system guaranteed a passive and submissive labour force that was being taught the importance of discipline, obedience and respect for authority (Bishop et al 1997).

Despite the use of elementary education as a form of social control, this recommendation was at first met with fierce opposition from some members of the ruling class. For example, the Agricultural Report in 1892 claimed that 'the sons and daughters of the labouring classes have become impregnated with the idea that education makes them better than their fathers ... we do advocate that the present education system should be remodelled (to) educate their hands as well as their heads' (Government of Barbados Agricultural Report, 1892). This view was mirrored by the Mitchinson Commission in 1875 led by Bishop Mitchinson who, according to Bacchus (1990), noted that the planters 'still had misgivings about popular education, fearing that to teach

the agricultural labourers' children was to unfit them for such duties which must necessarily be their lot in life' (Bacchus 1990: 270).

The education system also served as a useful tool for maintaining the social structure through the restrictive conditions and unattainable criteria set to gain entry to secondary schools. Secondary education was often the special preserve of the privileged in society or for the children of coloured professional middle class persons who could afford the school fees (Stafford 2006). Quite often, wealthy persons sent their children to the United Kingdom to receive their formal secondary and tertiary education (ibid). Nevertheless, provision was made for the children of working class families who had outstanding intellectual ability to win a small number of academic scholarships offered to non-white students to attend prestigious grammar schools (Layne 1982). A limited number of island scholarships were also available to students at these grammar schools to attend foreign universities, usually in the United Kingdom (Stafford 2006). Most island scholars chose to study in the area of medicine or law.

Education was therefore a privilege extended to a limited number of individuals, and even fewer persons from the working class. Not only were the fees out of the economic reach of the latter's parents but students who won academic scholarships were barred from entry because of their skin tone and the fact that they were born out of wedlock (Stafford 2006). The importance of these two factors (illegitimacy and skin tone) requires further explanation. The prohibition of marriage among black persons during slavery resulted in the evolution of a matrifocal society. Therefore, it was unusual to find children from the working class born in wedlock and this situation did not change after emancipation (Barrow 1996). Marriage usually signalled a middle class status. Schools such as the Lodge Secondary School often denied entry to children born out of wedlock (Layne 1982). Likewise, skin tone played an important role in the pre-independent

Barbadian society, since the lighter one's complexion the more opportunities that were available. Children were known to have won island scholarships only to be denied them because they were too dark in complexion (Stafford 2006).

The secondary schools' curriculum was often very limited and focused heavily on Religious Knowledge, the Classics – Latin and Greek, Natural Sciences and Geography (Gordon 1963). Without doubt, it was out of touch with the children's daily reality. This view was echoed by the Royal West Indian Commission in its analysis of the education system when it was observed that 'the education system reveals serious inadequacies in almost every respect. There is not nearly enough accommodation for the children who attend. Curricula are, on the whole, ill-adapted to the needs of the large mass of the population and adhere far too closely to models which have become out of date in the British practice from which they were blindly copied' (Great Britain 1938: 92).

Stratifying the education system along class and racial lines, along with limiting elementary education to religious knowledge ensured that a large section of Barbados' society remained within the ranks of the working class with very few opportunities for social mobility and consequently left them tied to the plantation as agricultural labourers. However, those who were fortunate enough to receive both primary and secondary education were able to climb the social ladder and get a better life beyond the confines of the sugar plantation.

The sum total of these issues led to education being perceived as a privilege to be pursued in an attempt to escape the poverty trap to which most Barbadians were condemned (Dann 1984). The reservation of education for only persons in the upper and middle classes or those who were academically gifted, made education even more desirable and parents were anxious to have their

children educated (ibid). The island's socio-political history, which associated agricultural and manual labour with slavery, further helped to create the image of education as the essential tool for social mobility and advancement in those desirable spheres of worthwhile activity, particularly since the traditional migratory routes were quickly disappearing.

The impetus for change did not come from within the working classes however, but from among the black and coloured middle class professionals who, for centuries, sought to advance themselves socially and economically but were prevented from doing so because of their race. In his assessment of the middle class and their persistent quest (through overt agitation) for social reforms, Coleman (1969) discloses that they 'reacted to their blocked social and economic mobility by turning to political activities - the arena where education and organising skills were more important than colour, family name or large economic assets' (Coleman 1969: 119).

One of the most outspoken and notable of these persons was Charles Duncan O'Neal, a black Barbadian physician who graduated from Edinburg University. While studying in the United Kingdom (UK), O'Neal joined the Independent Labour Party under the leadership of Keir Hardie and was actively involved in that Party (Hunte 2000). On his return to Barbados, O'Neal set himself the mission of agitating for improved social and economic conditions on behalf of the masses, through the launching of the Democratic League in 1924 where he applied the political philosophy of Keir Hardie (Hoyos 1972). His views were deeply espoused in social democratic principles. In his campaign for equal rights Charles Duncan O'Neal called on the legislature to provide more equal representation of the under-classes, and brought to the attention of its members 'the high incidence of infant mortality, child labour (and) malnutrition and noted that children denied a good start were doomed to a life of poverty and degradation' (Hunte 2000: 23)

To the casual observer, O'Neal was seen to be undertaking an almost herculean task, since the tools required for social reform were absent and the political, legal and economic constraints present within early 20th century Barbados worked together to maintain the status quo. Social reform could not come without universal adult suffrage, of which more than 97 per cent of the population was denied (Belle 1974). In addition to this, collective bargaining was illegal (ibid). However, O'Neal can be credited with persuading the masses to organise themselves and to seek entry to the legislature in an attempt to change their social and economic plight. According to Hunte (2000), O'Neal's strong social democratic principles, grounded in 'the tradition of the Christian Socialists and later the Fabian Socialists, had an abiding faith in the efficacy of the parliamentary system ... he believed that every man, woman and child born into the world has the right to food, shelter and clothing... he was further convinced that it was the duty of every government to provide those necessities of life for its citizens' (Hunte 2000:28). These perhaps can be seen among the earliest signs of the influence of social democratic thinking being advocated and championed in Barbados.

The tasks which O'Neal and the Democratic League had set for themselves were not without hope, they paved the way for the introduction of a social democratic agenda into Barbadian society, which later gave rise to the emergence of political parties and trade unions in 1938 (Emmanuel 1988). Belle (1974) asserts the view that the work of O'Neal transformed Barbadian culture, having 'a qualitative impact on the political landscape of Barbados, so that it never changes back to what it had been before he came on the scene' (Belle 1974:62). Nevertheless, despite the agitations for social reform, the living conditions of Barbadian labourers continued to deteriorate. Even the better paid dock workers and artisans within the City of Bridgetown were

either confronting issues of reduced wages or finding out that their services were no longer in demand (Beckles 1996).

The situation finally came to a head on the 27th July, 1937 (Belle 1987). Widespread protests and rioting, with fatal consequences, prevailed in the country. As if it were a virulent and contagious strain of social discontent, similar uprisings, and some with even more deadly results than in Barbados, also occurred in other colonies within the British West Indies (Mark 1966). These included St. Vincent, St. Kitts, St. Lucia, Jamaica and Trinidad. This period is widely recognised as a watershed in the political economy of Barbados and the British West Indies, particularly as it relates to the introduction of social policies heavily steeped in social democratic welfare principles (Belle 1987).

In the aftermath of these disturbances, the British Government established the West Indian Royal Commission, headed by Lord Moyne, to investigate and report on the conditions within the colonies (Great Britain 1938). According to Coleman (1969), the Moyne Commission's visit and subsequent report served to validate the claims that were constantly put forward by the working class regarding their social and economic predicament.

The Commission, which comprised several members of the British Labour Party, reported in 1945 that the disturbances were largely due to 'unemployment and poverty' (Lewis cited in Beckles 1996:377). Its recommendations, which heavily reflected their political orientation and philosophy of welfareism, called for the creation of trade unions and the introduction of trade dispute legislation with quick dispatch (ibid). One of the Commission's members, Sir Walter Citrine, who at that time served as the General Secretary of the British Trade Union Congress, advised the political leaders, agitating for social reforms, to create an umbrella union to represent



various middle and working class professions; so as to avoid the mistake made in Britain, where several unions were created to represent the interest of various occupations (Coleman 1969:121). Recommendations were also made for the payment of old age pensions and the drafting and passage of minimum wage legislation (ibid: 379). These events gave rise to the machinery required to articulate and chart a development course for working class persons.

Several coloured and black business persons and professionals founded the Barbados Progressive League in 1938, a political party that encouraged workers to demand better conditions and to advocate for universal adult suffrage (Emmanuel 1988). Their tireless efforts started to pay dividends that eventually saw a further reduction in the income qualification for election to the Lower House to £25 in 1943, making room for more persons from among them and the wider society to enter the political arena (Beckles 2004: 39-40). Their arrival also saw campaigning for increased workers' rights through greater educational opportunities; although it would take another eight years before adult suffrage was granted in 1951 (ibid). The Barbados Progress League was particularly forceful in agitating for educational development and expressed the view that in this area 'we are emphatic in our demand for the introduction of free compulsory education up to the age of 15 years, with the provision of free books, a hot mid-day meal and a daily mild ration for those in need' (Belle 1974).

Furthermore, the League in its address to the Royal Commission in January 1940, continued to demand,

1. Meals for school children - free to those who cannot pay. A HUNGRY CHILD cannot learn.
2. Free technical schools for the proper training of artisans - carpenters, masons, etc.

3. More scholarships for boys and girls from elementary to first grade and second grade schools (ibid: 61)

With the formation of political parties the changes to the socio-economic landscape were at first slow and small in terms of their relevance to alleviating the social conditions. But, gradually the political and labour milieu changed, as mobilisation and organisational strides invariably led to the formation in 1941 of the Barbados Workers' Union which grew out of the grassroots political movement of the day (Mark 1966). With these two groups (the Barbados Progressive League and the Barbados Workers Unions)<sup>1</sup>, functioning almost in tandem changes occurred rapidly and 'demand followed demand ... in such specific areas as enforceable wage agreements, workmen's compensation, holiday with pay, bigger pensions, free and compulsory elementary education' (Emmanuel 1988: 107).

For social democracy to flourish, however, the planter-merchant class had to release its hold on the Legislature and Parliament, and this was finally achieved with the passage of the Universal Adult Suffrage Act in 1951 (Beckles 1996). This marked the end of the plantocracy's dominance over of the political and legal systems. They, however, maintained a stranglehold on the economy. An unspoken arrangement, often perceived as an unholy alliance, between the black middle class professionals and the white planter-merchant class developed around the 1940s, where the black professionals dominated the political scene while the white merchant class maintained their influence and control over the economy (Belle 1974). Thus began the strange

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<sup>1</sup> It should be noted that the Barbados Workers Union grew out of the Barbados Progressive League and at one time they both shared the same leader, the Rt. Hon. Grantley H. Adams. The Barbados Progressive League later became the Barbados Labour Party.

ritual of criticising the planter-merchant class during the election period for preventing black businesses from thriving, but later consulting them on planned economic initiatives and implementing policies to support the dominance of this class (Belle 1974:163).

What is even more mystifying, if not ironic, was that despite all the disquiet raised and the representation made (before passage of that Act) about the workers' plight and their prescribed ties to the agricultural sector without the corresponding economic and social benefits accruing to them, nothing was done during that period to transform the agricultural nature of the society. The meaning of development was still strictly defined in economic terms, with the plantocracy living off the fat of the land at the expense of the workers who had to settle for low wages, seasonal plantation work and deplorable living conditions. While a few advances were made with regard to the alleviation of social conditions, not much was done to change the structure of or the serious imbalance in the economy and the fortunes of the masses until political democracy, in the form of independence was achieved in 1966.

### **3.2 The Political Economy of Education: 1960 - 1980**

The adoption of the Westminster system of governance handed down by the colonial government provided Barbadians with the political tools to construct an equitable society. From the very start education played a significant role in the country's social reconstruction, although social policy continued to be heavily influenced by 'British education, finance, ideas and legislation' (Harrison 2011:69). Harrison (2011), writing on the British influence on social policy in the Caribbean, notes that 'the adoption of the Westminster model clearly swayed Caribbean governments towards social aspirations and policy frameworks reflecting the interventionist welfare state approaches prevalent in Britain' (Harrison 2011:67).

Whereas political historians such as Hoyos (1974) hailed the emergence of the social democratic system in Barbados as a triumph over the previous oligarchy in the absence of other alternatives, Belle (1974) perceives it a tool to further entrench the Barbadian economy in a dependent and vulnerable state through the adoption of a political system that undermined the decolonisation process, resulting in neo-colonialism. He argues that the wholehearted adoption of western political and social structures was a weak attempt by the Barbadian government to signal to the world that the country had 'come of age and could enter the rank of stable, western democratic politics' because western political democracy is perceived as superior (Belle 1974: 16). Added to this, he is of the view that the social democratic model of governance is a compromise, a way of appeasing the merchant class and the working class, but continuing business as usual therefore avoiding the deep-seated issues of race and class (Belle, 1974:16- 20). Instead he posits the view that the social democratic model is a system which deals with the symptoms of inequality and not necessarily the source. For him the Government of Barbados at independence took the route set out for it by the colonial authorities through the adoption of everything within the British political system: the Westminster system, the education system, the healthcare system, etc. To him this undermined the process of self-determination which the country should have been striving for at independence (ibid).

Nonetheless, the development policy practised by the state at the time of independence departed substantially from those undertaken during the pre-independence period, and education was central to these development plans (Government of Barbados 1960; DLP 1966). The Barbados government, under the leadership of Errol Barrow at the time of independence, embarked upon an extensive development plan which sought to build up the country's human capital and

diversify the economy through foreign trade and foreign direct investment, while at the same time reducing unemployment (Worrell 1996).

The policy framework to implement this plan was seen within the Lewis' growth theory (Lewis 1950 cited in Girvan, 2005). Lewis' model is strongly based on the modernisation theory of development which saw industrialisation by invitation as the process that would transition the Caribbean Small Island Developing States from traditional and underdeveloped agricultural societies into modern and industrialised ones (Payne and Philips 2010; Layne 1994). His theory stated that the Caribbean region at that time had an advantage of a large supply of labour and a politically stable environment which could successfully attract labour intensive industries to address the issues of high unemployment and underdevelopment (Payne and Sutton 2001:134).

Largely following Lewis' model, the government embarked on an extensive development infrastructural plan to attract foreign capital and investment while simultaneously implementing a policy which sought to significantly develop its human resource base (ibid). Therefore, while independence gave the government the machinery to move the country away from its heavy reliance on sugarcane cultivation, this could not occur without improving the labour force's skills. As a result the education system was used as the mechanism to facilitate this process (Layne 1994) and these efforts were supported by an expansion in the provision of public healthcare services (Walrond 1996).

In sharp contrast to the colonial period the government placed a heavy emphasis on the education and health sectors as well as the provision of public services and basic social amenities (Dann 1984; Bishop et al 1997: 327). The first order of business for the newly independent government was to make primary and secondary education compulsory and free for children between the ages of 5 to 16 years. In 1962, public secondary school tuition fees were abolished (Government

of Barbados 2000). Within a relatively short time after assuming office the new government introduced free education at all levels, and it served the purpose of equipping the masses with the tools needed to achieve upward mobility and further contribute to the country's development (Layne 1994). That measure also spurred people's prospects that self-governance through increased democratic parliamentary representation would improve their standard of living.

Free formal education transformed the country's socio-economic landscape, as it radically and fundamentally altered the social and class structure. In actual fact, the introduction of free secondary education was seen as a prerequisite to fulfilling the expectations of the masses after independence; and having secured independence from Great Britain in 1966 the government became conscious of the need to immediately redress the people's accustomed culture of inequality and poverty (Layne 1993: 94). According to Howard (1992), 'development planning in Barbados during this era (1960s-1970s) was strongly politically oriented and was characterised by a tendency to concentrate on socially desirable projects which had a strong appeal to the electorate' (Howard 1992: 152).

The Barbados Government also funded tertiary education provided at any of the three campuses of the University of the West Indies. In addition to that, to ensure that there were no obstacles to accessing education, the government provided free school meals to children attending primary school and a text book loan scheme for secondary schools (Shorey and St.Rose 1996:121). The quality of education was also assured through the continuous training of teachers at the tertiary level, and the provision of adequate facilities and resources for the optimum delivery of education (Bishop et al 1997: 332).

Working in close collaboration with the Barbados Family Planning Association, the government set about through instruction and persuasion to control population growth (ibid: 328). This was largely a successful campaign, which saw the birth rate drastically reduced, accompanied by increased life expectancy, to the extent that Barbados now has an aging population (Walrond 1996).

These achievements were as a result of a heavy investment in the healthcare sector with the decentralisation of the health care system through the establishment of polyclinics across the island. The clinics provide a range of healthcare services (primary health care, maternal health care, sexually transmitted disease (STD) treatment, dental and optical services), free at the point of demand to the general public (Dann 1984:149). The state also established the Barbados Drug Service which provided free prescribed medication for persons over 65 years and children (Walrond 1996:81). Medication is also provided free of cost to diabetics, chronically ill patients and persons with cardiovascular illnesses. Under this scheme, prescriptions may be filled at private pharmacies, state-owned polyclinics or the main general hospital (ibid: 1996).

Overall these developments by the 1980s had given rise to a rapidly growing middle class, reduced the size of the working class and a social democratic oriented society (Meek and Lindall 2001: 148). In addition to this the census data for the period 1960 to 1990 shows a significant decline in the number of persons working in the agricultural sector while at the same time there was a substantial increase in administrative jobs, as well as employment in the public sector and service industries (Barbados 1980, 1990, 2000). Moreover, the number of persons who completed secondary education as well as university graduates greatly increased (ibid)<sup>2</sup>.

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<sup>2</sup> Appendix 10 provides details of these occupational changes.

Education as a tool for social and economic advancement therefore negated other factors which hindered such social mobility, factors such as race, family name, genealogy and one's economic standing (Layne 1994). The shift from a traditional agricultural based economy to a more diversified one provided new avenues and opportunities for employment outside of the agricultural sector, and this had the effect of increasing the income of the average Barbadian.

However, the upper class still retained, to a large extent, its control over the economy. According to Beckles (2006) 'blacks in general were structurally excluded from the corporate institutional network and social structure' (Beckles, 2006: 110). He went on to note that 'the culture of manufacturing, promoted and developed by black entrepreneurs during the 1960s and 1970s, has been systematically starved of equity by a hostile money market controlled by white Barbadians and by the state's soft response with respect to the need for research and development in industrial growth' (Beckles 2006:111). He asserts the view that the genesis of this problem resided in the country's socio-political history, and blames the absence of a strong capitalist class in Barbados on the government's failure to actively promote economic democracy (ibid). Independence therefore resulted in the continuation of the tacit understanding where the black professional class maintained control of the political machinery while the white plantocracy maintained its economic dominance.

The need to invest in the country's human resources resulted in the education sector receiving approximately 16 per cent to 20 per cent of the government's annual expenditure from 1965 to the present day (Foster 2004). The education budget continued to expand with the introduction of additional tertiary institutions such as the Samuel Jackman Prescod Polytechnic, the Barbados Community College and the Barbados Institute of Management and Productivity (Layne 1985).



From 1961 to 1978, Barbados' expanding education system was financed in large measure out of public funds. In 1978, this practice changed as the government entered into several loan agreements with international financial institutions (IFIs), most notably the World Bank, the United States Agency for International Development (USAID), the Inter-American Development Bank (IDB) and the Caribbean Development Bank (CDB) (Howard 1992; Government of Barbados Development Plan 1979-83). The purpose of the loans was to mainly finance the expansion of the primary and secondary school plant, provide training for teachers, expand the Erdiston Teachers' Training College and assist the government in making the school curriculum more relevant to national development, as well as the needs and aspirations of a more discerning population. In addition, concomitantly, some of the funds would have been earmarked for investing in a cadre of well-trained technicians and managers for the expanding manufacturing and tourism sectors (Martin 1996; Government of Barbados Development Plan 1979- 3). Towards the end of the 1970s, having achieved universal access to education, the focus shifted incrementally towards increasing the quality of the education product, especially in the area of higher education, and this required an examination of the country's teaching resources and equipment (Government of Barbados Development Plan 1983 -88).

The application of social democratic principles to the Barbadian political economy and its effects on the education sector did not, however, reduce the high rate of unemployment in Barbados and neither did the heavy investment in the sector address the inequalities inherent in the education system (Howard 1992; Layne 1990)<sup>3</sup>. Despite having made public primary and secondary education free, the Barbados education system still exhibited several inequalities such as the selection to secondary schools, in particular grammar schools and the disparity in the quality of

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<sup>3</sup> The inequalities presented here have been summarised and are discussed in greater detail in Chapter 5.

instruction and pay between secondary comprehensive schools and grammar schools. Admission to secondary schools was (and still is) based on the Common Entrance Examination commonly referred to as the Eleven Plus Exam (Layne 1990). Students scoring an average of 65 per cent or higher attend one of the six prestigious grammar schools (The Lodge School, Harrison College, Queen's College, Combermere Secondary School, Christ Church Foundation and St. Michael Secondary School); some of these schools were established as early as 1695. Those who did not obtain a place at these schools were assigned to secondary comprehensive schools while others, due to the lack of sufficient classroom places, remained in primary schools. Likewise, Advance Level (A' level) certificates which assisted with entry to tertiary institutions were only available to students who attended grammar schools or the Barbados Community College.

Moreover there were differences in the teachers who were assigned to these schools. A large majority of the teachers in the grammar schools were graduate trained, while the majority of the teachers in the comprehensive schools had only completed secondary education (World Bank 1978; Layne 1990). The instruction offered at these schools also varied greatly, with those persons in grammar schools receiving an education in the Classics which prepared them for white collar professions, while those in the comprehensive schools were instructed for employment as tradesmen (ibid).

Some concerns were also expressed about the linkage between the school curriculum and the business sector. The Barbados secondary school curriculum was particularly criticised for the disconnect between the curriculum taught in the schools and the required skills for employment in the business sector (Howard 1992). The government was criticised for offering a curriculum which heavily focused on producing professionals for white collar jobs (ibid). At a time when the government was seeking to transform the manufacturing sector in the late 1970s and 1980s there

was a need for trained technicians in this sector since the country continued to suffer from a shortage of skilled workers (ibid).

To address these issues the Government turned to UNESCO and the World Bank for technical and financial assistance. This assistance came in the form of three project loans that spanned the period from 1978 to 2001. The First World Bank Education Project (Loan 1642 BAR) in 1978 was aimed at '(a) broadening educational opportunity; (b) improving the quality and relevance of education and training programmes and (c) enhance the efficiency and effectiveness of the system' (World Bank 1990: iii). The Second Education and Training Project (Loan 2688 BAR) was an extension and continuation of the first and aimed to '(i) improve the quality and cost effectiveness of primary and secondary education, (ii) improve the efficiency, quality and industrial relevance of technical and vocational training and (iii) strengthen the capacity to manage and plan the education and training system' (World Bank 1995: iii). The third project loan, the Human Resources Project (Loan 3634 BAR), complemented the other two projects and its main objectives were '(i) strengthening the quality and efficiency of primary and secondary education and raising student achievement, (ii) improving the effectiveness, efficiency and responsiveness of technical and vocational education and training (TVET) programs and (iii) reinforcing employment services and labour market information (World Bank 2001:2).

Although the central aim of these projects was to improve the government's educational programme and enhance its delivery, it was the implementation of these projects that resulted in contentious negotiations between the Government of Barbados and the World Bank. These challenges are looked at in greater detail in Chapter Five, however mention must be made here of the fact that while the government was at times willing to concede that some aspects of the education system required reform, the socio-political history of the education system in Barbados

makes this sector a highly contested terrain, which is staunchly defended by the trade unions and the Government of Barbados irrespective of which political party is at the seat of governance.

Thus the challenges between the government and the World Bank occurred due to differences in their perception of the role of education in the economy. Whereas the Government of Barbados perceived education as a social good, the Bank focused solely on its economic value and contribution to economic growth. This is further complicated by the different needs of their constituents because for the Barbados government it must satisfy the growing aspirations of the electorate for whom education is priority, while the World Bank must meet the requirements outlined by its Board of Directors whose interests focus on the economic returns on their investments. These differences and the challenges which they presented are looked at in greater detail in the following chapters. They also helped to shape the study's research questions and influenced the overall data collection and analysis.

### **3.3 Conclusion**

There exists within the discourse on social democratic welfare state models a dearth of information on the impact of the lasting legacy of colonial administration on the development of social policy within developing countries. Similarly, Small Island Developing States which have adopted this development model are absent from this research. This chapter addressed these issues through the case of study of Barbados. It laid the foundation for the analysis of the sustainability of this model in this country through an examination of the country's education system and highlighted the central role that this sector played in the nation's social and economic development (Worrell 1996). The education sector as a result became highly favoured by the population as a tool for social mobility and also served as a socio-political instrument for

transforming the Barbadian society from its heavy dependence on sugarcane production to a service oriented one (Howard 1992; Beckles 1996).

A review of the post-emancipation period and an analysis of the political economy of development and education in this era, disclosed that between 1838 to 1938 Barbados remained heavily stratified along race and class lines with over 90 per cent of the working class comprising black plantation labourers (Belle 1974). Under the colonial rule of the Old Representative System these persons were disenfranchised and permanently tied to the plantation. It was only through migration or education that persons were able to advance themselves in society (Beckles 1996). However, education opportunities were restricted along race and class lines and what was offered to children of the working class was very basic (Layne 1996).

The chapter argued that the watershed in Barbados' social development occurred as a result of two events: the 1937 riots and the Moyne Commission which followed (Belle 1974). The riots were in protest of the poor living conditions under which much of the population lived. Conditions such as poor sanitation and housing, widespread malnutrition coupled with high unemployment, low wages and high rates of infant mortality. The British Labour Party's intervention after the riots via the Moyne Commission marked the genesis of the application of social democratic ideology to Barbados to which the country remained committed long after receiving its independence (Coleman 1969; Hunte 2000). However, while the Commission's recommendations for education, health and housing reforms were impactful, Barbadian society could not transform without constitutional change which addressed the issue of enfranchisement. Until the plantocracy released its hold on the political machinery, social change although encouraged by the colonial authorities was slow in coming. It was not until the passing of key

legislation and events such as the Universal Adult Suffrage Act in 1951 and political independence in 1966 that significant changes were made (ibid).

In the independence period the education sector was seen as the conduit through which the country could be transformed from an agrarian society to a service oriented one focused on manufacturing, tourism and offshore banking and finance (Worrell 1996). This resulted in increase expenditure in primary, secondary and tertiary education to improve the skills of the labour force. However by the late 1970s this expansion called for an injection of external funding to which the government turned to the World Bank (Layne 1996). The loan negotiations however, proved to be difficult and at times contentious as the Bank challenged the government's social spending on the education sector but the socio-political history of the education system steeped in the struggles from the colonial post-emancipation period meant that this area of national development became a highly contested terrain.

By following the trajectory of educational development on the island as it moved from a privilege in the post-emancipation period to a national right in the independence era, and its direct link to political and social reform, the chapter sets the framework for investigating the sustainability of the social democratic model through this sector. Already heavily influenced by social democratic ideology the newly independent government expanded and created social programmes steeped in this ideology.

This chapter also demonstrated the lasting influence of colonial rule on developing countries and its impact on the construction of social policies. It highlighted the British colonial influence on the establishment of political institutions (Westminster parliamentary system) and trade unions (Harrison 2011).

Likewise, the chapter also disclosed that while some welfare states in developing countries have found it difficult to maintain their commitment to this development model in the face of pressures from IFIs such as the World Bank, others, like Barbados, from as early as the 1970s have been resisting. How these claims are investigated would be the focus of the next chapter. It identifies the research process undertaken to investigate the sustainability of Barbados' development model.

## **Chapter 4**

### **Research Methodology**

This thesis has thus far demonstrated that the welfare state models, in particular those which are committed to social democratic ideology, have survived in spite of predictions of their demise (Rudra 2002). However it has also been disclosed that these state models have nonetheless been challenged in significant ways by economic globalisation underpinned by neoliberal ideology. The challenge has been greater for developing countries with welfare states. Conversely, through the case study of Barbados it has been noted that historical factors explain the commitment to, and continued existence of, the social democratic welfare state model in some Small Island Developing States (SIDS) (Harrison 2011). These factors include the struggles of the working class in the post-emancipation period, the influence and role of the colonial authorities (mainly the British Labour Party) in introducing social democratic ideology to social planning and policy on the island and constitutional reforms which led to the establishment of trade unions and political parties (Harrison 2011).

Central to these developments was the education sector which was used as a transformational instrument by the government to improve the social and economic conditions of its people and to move them beyond plantation labour and into the developing industries of tourism, manufacturing and offshore services (Layne 1996; Stafford 1996). This however, was being achieved during a period of relative global prosperity, in an environment conducive to, and supportive of, welfare state ideology. What this study therefore seeks to investigate is how Barbados was able to maintain its commitment to the social democratic welfare state development model in a neoliberal environment hostile to this ideology?



It is with the intention of answering this question that this chapter outlines the research design of this study. It will include the formation of the research questions, the data collection procedure and consequently the data analysis. The chapter is thus divided into four sections. Section 4.1 focuses on how the research questions were framed and developed. This is followed by the second section 4.2, which outlines the fieldwork plan, and then section 4.3 which examines the research methods that were selected. The final section 4.4 concludes the chapter and provides a summary of the overall research process.

#### **4.1 Research Questions**

The research questions sought to address the study's research problem which asked: to what degree has Barbados' education system which is influenced by the country's social democratic welfare model been sustained in the face of changes to the global economy which, at face value, seem to pose a significant threat? It was therefore determined that in order to approach this problem the issues of measuring and determining sustainability first had to be confronted. The sustainability of the Barbados' development model as it relates to this study is assessed through the government's financial commitment to the education sector. Likewise, the period under investigation (1974 -1994) was determined after identifying periods in the country's history where the education system was subject to strong external forces and when external financial assistance was sought from those institutions which supported neoliberal ideology. These external pressures were explicit during three recessionary phases - 1977/78, 1982/83 and 1991/92 – in which the Government of Barbados entered into stabilisation programmes and a structural adjustment loan agreement with the International Monetary Fund (IMF). It is these three recessionary phases, and the decision to seek external financing, that constitute the primary focus of this thesis.

From these considerations and based on the central research problem five research questions emerged. These questions were as follows:

1. To what extent did international financial institutions, specifically the World Bank and the International Monetary Fund, impose their policy prescriptions on Barbados during the negotiations for funding the education projects of 1978, 1986 and 1993?
2. What degree of flexibility in the negotiation of these agreements with the World Bank and the International Monetary Fund did the government of Barbados possess?
3. To what degree did the recessions of 1977/78, 1982/83 and 1991/1992 affect the government's financial commitment to the education sector?
4. What role did the teachers' unions (the Barbados Union of Teachers and the Barbados Secondary Teachers' Union) play in ensuring the government's financial commitment to primary and secondary education?
5. In what way did the teachers' unions constitute a challenge to the imposition of the conditionalities of the IMF and World Bank agreements of the 1970s, 1980s and 1990s?

To answer these questions satisfactorily, the research was conducted through the use of a mixed methods approach applying both qualitative and quantitative research methods. These methods included the examination of documentary evidence and statistical data, secondary literature and semi-structured interviews. These methods helped to guide the research process and data collection.

## **4.2 Research Process and Data Collection**

The data collection process was framed in a flexible fieldwork plan which served as an effective tool for refining the research questions and narrowing the scope of the research project. This was occasioned through the continual process of collecting and reviewing the data.

### The Field Work Plan

At first glance, and throughout its formation, my field work plan appeared to be straightforward and simple, with no perceivable obstacles. It consisted of three stages which were spread out equally over a nine month period of fieldwork in Barbados. These stages necessitated the collection of data from national archival sources, government ministries and departments, Hansard Reports and finally through undertaking elite interviews with policymakers involved in the IMF and World Bank negotiations and education reforms.

At the very outset, the first stage saw the collection of data from the national development plans and census reports. These were readily available from archival sources, mainly at the University of the West Indies Cave Hill Campus' main library, the National Archives Department and the Barbados Statistical Service. It was anticipated that these documents would provide the baseline information that would act as a roadmap for the research process, offering crucial information such as the rationale for the government's expanded education programme, the administration's need to secure external funding, the state of the national economy, and a comprehensive overview of the highly esteemed education sector. Similarly, it was envisaged that the National Archives Department would have public sector administration files for the late 1970s and 80s, particularly the minutes of Cabinet meetings that would shed some light on the policy process and the various ministerial views that were canvassed and captured. I was also hopeful in

thinking that access to these documents would provide me with the opportunity to reconstruct the development and design of the government's education policy, and from which I could analyse any issues of conflict, consensus and conformity in the formulation of the education policies. One assumed that these documents would contain a wealth of information. A comparable view is held by Burnham *et al* (2008: 184) who noted that 'documentary and archival sources offer great opportunities for political scientists to develop novel accounts and interpretations of significant events'.

After the first three months I proceeded to the second stage of the work plan. This consisted of collecting data from various government ministries, particularly the Ministries of Education and Finance. From these sources I sought to gather information from past administrative files and reports related to the government's funding of primary and secondary education. It was imagined that from these files I would have access to the minutes of meetings held with World Bank and IMF officials, where the negotiations and discussions with key government administrators could be observed. A review of such documents, according to Lowe (2004), would 'provide the opportunity for researchers to contribute to wider discussions in social science, such as the agency/structure and principle actors debates (that) can make a significant contribution to understanding the workings of modern government and the conduct of international relations' (Lowe cited in Burnham et al 2008:177).

The final stage of the work plan was dedicated to collecting the Hansard Reports coming out of Parliament and then following these up with elite interviews to further explore and clarify key issues. With regard to the latter, it was expected that a pilot interview would be conducted first. The aim of this was to help distil the interview questions and to familiarise myself with the elite interviewing process.

Although I had a list of potential interviewees I was acutely aware of the fact that reviewing the administrative files might increase, reduce or even significantly alter the list. At first, I did not foresee the need for gatekeepers since I knew that most of the interviewees, except for a couple of persons, were all retired from the civil service or active politics. However, as it is explained in detail below, it soon became apparent that not only were gatekeepers required, but they had to be highly influential as well.

Initially, everything went according to plan, particularly since most of the data collected during the first few weeks was accessible to any member of the public. The national development plan, although quite informative, did not really throw up much unfamiliar information. From the data collected, the project was further refined, focusing only on the first, second and third World Bank projects and on primary and secondary education, particularly its relevance to national development.

It must also be pointed out that although the World Bank education projects were framed, negotiated and executed as separate entities, there are also acknowledged in the annals of central government as one continuous project. This is even though the official account, chronicled and formally documented in the Government of Barbados and World Bank files, speak of three projects, since three separate loan agreements were signed. However, in point of fact, the apparent contradiction - the one continuous project version as against the three projects - has been explained away by government officials that, in practical terms, the second project was a continuation of the first one in the form of additional funding to finish most of the capital work, and the third project was an extension of the second one, to include the construction of a greater number of secondary schools.

While accessing the data collected from the national libraries and the university proved relatively easy, the same cannot be said about getting approval to view the administrative files on the World Bank projects. It took approximately two months to gain access to the Ministry of Education's files; and when permission was finally granted I was placed under the watchful eye of the Project Officer within the Education Project Implementation Unit. Although requesting on more than one occasion to get access to the Policy and Research Section, where I was told the education policy documents were stored, I was never granted permission. I therefore had to rely on the secondary analysis and data from other sources who previously had access to this section, while conducting their own research (Jones 1997)<sup>4</sup>. Nevertheless, with the benefit of hindsight, I realised that familiarising myself with the Ministry's organisational structure and filing system would have helped to expedite the research process.

After a few weeks of working under the Project Officer's supervision I was eventually given direct access to the department's files from the 1970s, 1980s and 1990s. The irksome task of supervising my constant requests for documents housed in various locations in the Ministry of Education and in an annex on its compound might have influenced this decision, since tending to my requests disrupted the Project Officer's work several times throughout the day. These documents were mainly housed in make-shift storage, comprising two large shipping containers filled from floor to ceiling with World Bank project files, dating back to the project's conception in 1974 to its completion in 2001. Luckily for me in this instance, I was allowed to work in total solitude everyday in these two containers. These containers consisted of over 50 boxes of files,

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<sup>4</sup> The reason for not being admitted to this section remains unknown. The one person whom I am aware of that accessed these documents was a teacher and an executive member of the Barbados Teachers' Union. I used his research data to supplement any gaps in mine, as it relates to the education policy reports.

with at least six bulky files in each box. From these files I obtained information on the project loan agreements and the aide memoirs and other correspondence between the Government of Barbados and the World Bank, as well as the Ministry of Finance and the Ministry of Education. However, these administrative files sometimes had missing information which was recorded on other files elsewhere.

As it relates to conducting public sector research, the surprising and unexplained absence of critical documents seems to be a familiar refrain, as Robinson (1987) also notes that 'many important papers written for internal circulation have either perished or are difficult to find' (Robinson cited in Burnham 1987: 290). To Robinson's obiter dictum I wish to add that not all meetings were recorded, and not all relevant information was located in the internal registry; neither was it accessible from other relevant departments.

What the files did throw up, however, was that some of the technocrats who were highly recommended to be interviewed were not integrally involved in the projects. They might have played a peripheral role at some stage, but nothing substantial. Instead, the administrative files revealed the main actors and key players in the project negotiation process. These individuals were not the politicians previously thought of, instead they were senior civil servants and surprisingly some trade unionists, particularly from the Barbados Union of Teachers, who should have been earmarked to help put the spotlight on what had transpired decades ago. That clarification was quickly undertaken and the interviews requested and obtained.

Although having to go through the official procedure of writing to the Ministry of Finance for permission to use its library, I was not subjected to the unnecessary, daily, rigorous scrutiny and superintendence as obtained with the Ministry of Education. At the Ministry of Finance I was

given permission to freely peruse the Ministry's collection of World Bank, International Monetary Fund (IMF), and the Central Bank of Barbados reports and publications, as well as the estimates of expenditure. On reflection, I believe that the latitude granted was probably related to the previously disclosed particulars of the projects and the 'open-door policy' the current government has enunciated, especially with its planned Freedom of Information Act, where it is proposing to make official documents accessible to members of the general public after a specific period of time had elapsed.

It was, however, disappointing to ascertain that three of the documents that I thought were critical to the research were missing. These were the IMF loan agreements for the stabilisation programme of 1982 and the agreement for the structural adjustment loan in 1992, as well as the IMF's Article IV Consultation Report of 1992. These documents were essential since they included details of the stabilisation and structural adjustment loan agreements which the government had entered into with the IMF. Nevertheless, I was not unduly discouraged by this discovery because I anticipated that the Central Bank's library and/or Parliament's library would have records of these documents. Another disappointment was my inability to gain access to the files that dealt with the IMF negotiations. Thus my journey to the Central Bank of Barbados' library proved futile. That Bank does not allow World Bank or IMF documents to be photocopied, and since time did not allow me to review the documents in great detail I was forced to take copious notes and hope for better success with the Parliament's library. Eventually, I requested and received the documents directly from the IMF's external affairs department via email.

Having obtained most of the desired data, I had reached the final stage of my fieldwork plan. Up to that point all of my data had been digitised and collected with only the Hansard Reports to be



obtained and the elite interviews to be conducted. Making digital copies of the documents with a small flatbed scanner increased the efficiency of my data collection by reducing the time spent in the field. It also provided the opportunity to have the documents available for future reference and analysis, thereby reducing any errors that might have occurred through manual note taking.

I took a scheduled break from data collecting to conduct a preliminary analysis of the data that I had obtained up to that point. This first review of the data reinforced the emergence of the critical role of the teachers' trade unions, particularly the Barbados Union of Teachers (BUT). It further highlighted the influential part which the unions played in acting as a watchdog over the government's commitment to financing the education sector and to the design and implementation of education policies and programmes (World Bank 1995; BUT 1985). In possession of the new information, I started to refine my interview questions which now took on a new focus. I also shifted the centre of attention of my research slightly to consider the new influences of power and control which were not previously identified in the data. That is, the strength of the trade unions.

This new focus led me to the Barbados Union of Teachers headquarters to review its published works, particularly the Union's annual reports. These reports contained lots of information, giving insight from a different viewpoint: the workers' perspective on the government's policy in the education sector. In addition to offering information on the issues of conflict and consensus, which shaped the policy process, the reports also provided me with the name of key players throughout this period who should be interviewed. I collected the BUT annual reports from the late 1970s to 1994. These documents, as with the Hansard Reports, the interviews, the development plans and census data, enabled me to put the various pieces of the policy puzzle together, and to get a better appreciation and understanding of the issues and events which

shaped Barbados' education policy, and which either reinforced or challenged the government's commitment to the sector and by extension the country's development model. As with the other data collected up to that point, digital copies of the BUT's annual reports were secured for further analysis.

In approaching the final stage of my work plan, the final steps to take were to obtain the Hansard Reports and conduct the elite interviews. Accessing the Hansard Reports proved to be a relatively simple process since the documents were in digital format. I managed to obtain copies of the parliamentary debates from 1974 to 1995. These documents were not reviewed at the time of collection and the task of meticulously combing through them was left until after the fieldwork was completed. Although being cautioned by Burnham *et al* (2004) that Hansard debates are 'by and large recorded political talk and do not reveal the mechanisms of administrative acts ... (and) the lengthy mock battles in the Chamber are often dominated by individuals far removed from the policy-making process' (Burnham *et al* 2004: 184), I still found them to be very useful tools in enlightening me about the education debates and the overall socio-political atmosphere of the time. It was akin to taking a virtual walk through history, with parliamentarians often discussing in great detail past events and socio-economic data, and the circumstances that led to these developments. The reports contained a great deal of information not often found in West Indian textbooks or academic research. Of particular interest were the education debates during the periods of stabilisation and structural adjustment.

Perhaps, because perusing the Hansard Reports is a painstaking and time-consuming task, a researcher might be discouraged from attempting such an exercise. However, the Ministry of Education's administration files, the World Bank project reports as well as the Barbados Union of Teachers' annual reports identified key dates of parliamentary debates which helped reduced

the time it took to review the said reports. Similarly, the pilot interview also produced key dates of debates to be reviewed for analysis.

From a preliminary analysis of the previous documents collected and a review of the work published during this period, I was able to frame my interview questions in a more coherent way. The preliminary analysis and the pilot interview also revealed that those policymakers, such as politicians, former ministers and senior education officials, would have to be asked different questions from those posed to the union officials, although there would be some overlap.

In comparison to the other data collected, bearing in mind the difficulties of accessing some documents and the delays that accompanied them, the elite interviews can be described as a less challenging undertaking. Two things are most noteworthy. Initially, I intended to interview 10 persons, but the list grew increasingly long, with the danger of the sessions snowballing beyond what was needed or what was germane to the matter at hand. However, any anxiety was assuaged somewhat when I learned that some of the potential interviewees had either retired and were unavailable, had landed consultative positions and were based overseas, or unfortunately had passed away. In spite of these slight setbacks, I still had ample resource persons to draw on.

The other consideration had to do with the timing of the interviews. The fact that the Ministry of Education was locked in a long drawn-out dispute with the other teachers' union, the Barbados Secondary Teachers Union, and a much anticipated general election was constitutionally due and would have been called at any time, gave rise to a period of fluidity. Not many persons were willing to engage in serious dialogue that was not of a topical or political nature. This was the election season and it affected my access to some of the interviewees. Although in retrospect, different gatekeepers should have been employed for different political interests.

Some of the political entities that were identified as being influential in the education sector in the 1980s and the 1990s proved difficult to contact. It was assumed that this occurred because in some instances a gatekeeper was not used. The absence of such an intermediary stemmed from the belief that since these persons now formed part of the opposition, and had almost fully retired from active politics, they would have been more predisposed to be interviewed; but this was clearly not the case. For example, it proved challenging, and in the end futile, to contact two former ministers of education, one of whom retired from active politics while the other became the leader of the opposition during this period.

What the interviews revealed, nonetheless, was that the retired senior civil servants and union members were more forthcoming and candid in their discussions and less guarded in their responses. Current politicians and civil servants, on the other hand, remained quite circumspect in their responses and gave generalised, vague and restrained answers. In some respects, a few were just plain reticent. The full list of interviewees can be found at appendix 9.

Another concern which was evident was the age of some respondents and their ability to recall with accuracy the period under review. I, however, discovered that whetting their appetite by giving a preamble of the research and the period under investigation served to jog some persons' memories. Furthermore, when these responses were compared to the written reports and documents produced during that time, the responses, when checked against the Hansard reports and with other interviewees, proved to have a high degree of accuracy. In a large way the elite interviews served their purpose in providing the opportunity to 'understand (the) beliefs, perceptions and mindsets (of the interviewees) as it relates to policy formation and influences within the public sector' (Pierce 2008 : 184). I found them to be extremely informative, delving

meticulously into the past, thereby affording a better and more informed view of the negotiations involving the unions and the World Bank.

Of the 13 interviews conducted only one was not used in the research analysis since the respondent strayed very far from the questions, and was more focused on defending a project undertaken during her tenure, a project for which she was publicly criticised. This interview was also one of two that was not undertaken face to face. It was a telephone discussion with a retired senior government official; and the other was a telephone/written interview with a former teachers' union president. The latter was unable to meet with me in person because he was advising the teachers on their ongoing impasse with the Ministry of Education at that point, and therefore time did not permit him to participate in a face to face interview. But, he was interested in the research and saw the telephone interview as the next best option. We started the interview over the phone and then he emailed additional responses to the questions. Subsequent to this, he also provided, via email, extra information which he thought would be useful to the study.

To get the maximum out of the interview process policy documents were scrutinised first, and the interview method was used to add clarity and crystallise the ideological positions and approaches that were adopted, as well as to have any missing data filled in or misunderstood concepts explained. The interviews, which lasted around ninety minutes, were recorded via a tape recorder as well as hand written notes, after which they were transcribed and analysed via thematic content analysis.

In light of the preliminary findings gathered from an analysis of the policy documents, the initial interview questions were tailored to the role and influence played by trade unionists and government officials. To this end, there were separate interview questions for policymakers and

a separate set for union members. A copy of the interview questions can be found in appendix 6 and 7.

I believe I had a relatively good rapport with the interviewees and the various government ministries and departments with whom I interacted. Any hindrances or difficulties I encountered were not taken as a personal matter or unwillingness by some persons to assist. Instead, they were more related to the bureaucratic procedures that are in place and which tend to inhibit easy access to official documents; as well as the prevailing circumstances at the time when the research was being carried out (general election-season) which limited the involvement and influence of some persons, including gatekeepers.

#### **4.3 Research Methods**

The fieldwork process was guided and influenced by the research methods which, as previously mentioned, consisted of a mixed methods approach. Data for the thesis was therefore gathered by scrupulously examining statistical and administrative documents, semi-structured elite interviews, and secondary data sources. Similarly it was noted that the thesis focused on the periods when the Government of Barbados sought funding from both the International Monetary Fund (IMF) in the form of stabilisation and structural adjustment loans, and the World Bank in the form of project funding for the education sector. Focusing on these areas resulted in the research being located between the 1970s and the mid 1990s, and, therefore, most of the data collected is, by and large, archival material from this period. The rationale for the selection of each of these methods is outlined below.

## Public Administrative Documents and Statistics

The key indicators for measuring changes in the financial allocation to the education sector, as well as the factors influencing this change, namely neoliberal policy prescriptions, were primarily investigated through the scrutiny of policy documents, government budgetary estimates of expenditure, Hansard (Parliamentary) Reports and official administrative files. Policy documents included national and strategic development plans and education sector development plans. They provided enlightening information on the government's aims, objectives, its rationale and expectation of the policy prescription and its intended role in the development process.

Documents such as official administrative files, whose minutes and memoranda tracked the trajectory of the policy from its conceptualisation to implementation and evaluation, provided a helpful background and gave a historical context to the education projects and the periods under review. Between the pages of these files the themes of contest, conflict and consensus emerged as the government, the trade unions, the IMF and the World Bank either interacted, clashed, crossed swords, agreed, disagreed and interfaced at different points in time; all of this in the course of arriving at mutually accepted programmes. These sources gave explanations of the changes that occurred within the policy process, and why some views got the green light and were incorporated, and why others did not sit well with the IFIs and were rejected. These documents (file minutes, memoranda and correspondence) satisfied the dual purpose of not only detailing much insight into the workings of government and revealing worthwhile information, but also served to signpost other relevant documents, key personnel and events. The administrative files were particularly useful in identifying potential interviewees outside of the ones initially considered, and for highlighting key aspects, such as the role of the unions, that

narrowed the research focus. They, however, because of their bureaucratic structure, were not explicitly revealing but acted as supporting evidence to validate some important claims made later by the interviewees.

Additionally, documents such as the annual estimates of expenditure were used to evaluate the allocation of financial resources to the education sector and its subdivisions. Of particular importance were the individual budgetary provisions which accompany the annual estimates of expenditure, since these consist of the justification and policy rationales for the allocation of resources, and as such they provided valuable knowledge for the analysis.

Data was also obtained from the 1980s and 1990s Barbados Population and Housing Censuses. The census statistics provided information on the societal changes within the wider country as they related to educational achievements, employment and occupation status. This allowed for an analysis of the correlation between the government's adoption of social democratic welfare state policies and the social changes witnessed with the rise of a rapidly growing middle class.

The Hansard Reports supplied a wealth of information and gave absorbing revelation into key parliamentary debates over the three decades. Debates and contributions from the government's side as well as from its parliamentary opponents not only guided the interview questions and discussion but also helped to fill the lacuna that existed between enunciated policy decisions and subsequent changes. The reports also offered critical dates with regard to the industrial action taken by the teachers' unions and, therefore, identified specific periods on which to focus when the teachers unions' annual reports and files were being reviewed.

Likewise, as with the Hansard Reports, the Barbados Union of Teachers annual general meeting reports and other news accounts published by the union, served as a veritable treasure trove of



information. Whereas Hansard and other policy documents, such as the national development plans, provided subtle hints of conflict with the IFIs and reflected an awareness of its intended audience, the unions' reports gave detailed and vivid accounts of the sheer variance that existed at times between the government and the IFIs on one hand, and on the other between the unions and the IFIs, and the unions and the government. It should be noted, however, that unfortunately during the data collection process, the other teachers' union, the Barbados Secondary Teachers' Union (BSTU), was unable to provide documented accounts of this period since access to its archival data was restricted because restorative work was being carried out on its library. Nonetheless, information regarding the BSTU was secured through interviews with past and present executive members of that union. In addition to this, the Barbados Union of Teachers (BUT), unlike the Barbados Secondary Teachers' Union (BSTU), has more members on its books, and it represents teachers from both primary and secondary schools on the island.

### Secondary Analysis

Regional and international sources also acted as a rich source of additional data. Organisations such as the Caribbean Development Bank (CDB), the World Bank, the International Monetary Fund, the Economic Commission for Latin America and the Caribbean (ECLAC), the Inter-American Development Bank (IDB) and the United National Development Programme (UNDP) made available very relevant economic and financial data. Of particular significance and use were the World Bank loan agreements, its staff appraisal reports and project completion reports which first drew attention to the role of the teachers' unions in acting as a countervailing pressure group. In fact, as we shall see, they were frequently regarded by the Bank as inhibitors to the implementation of austerity programmes. A similar view was articulated by the IMF, whose Article IV Consultation Reports and loan agreements offered the IFI's policy perspective which

often clashed with that of the Barbados government and the trade unions. The documents produced by both the IMF and the World Bank were used to highlight the strategies adopted by these institutions to impose neoliberal ideology on their borrowing member states.

### Semi- Structure Elite Interviews

Additional data was collected through elite interviews. These were conducted to clarify and corroborate (or, for that matter, contradict) much of the information obtained from the relevant documents, and provided a better understanding of how the government's policies, programmes and projects were agreed upon or challenged; and also how they were accepted or rejected at the post-design/pre-implementation stages. According to Desai and Potter (2006: 5), elite interviews provide the opportunity 'to examine processes, motivations and reasons for the successes and failures of government policies'. Furthermore, Pierce (2008) informs us that triangulation can be achieved through the process of elite interviews by 'dialoguing with the subject's opposite member, shadow or parliamentary pair' (Pierce 2008: 184).

The list of elite interviewees included senior government officials, with meticulous attention paid to gleaning as much information from the political top-brass and other ministers, since according to the Ministry of Education and the Cabinet Office in speaking about policy formation, 'the Minister determines the overall policy' (Ministry of Education 2001: 2) and this makes him/her a key person to rationalise and explicate policy decisions. Therefore, interviews were secured with a former Prime Minister, a current minister, a parliamentary secretary and a senator. Incidentally, three of these politicians were previously executive members of the Barbados Union of Teachers, with two of them being former presidents, thus confirming Lewis and Nurse (1994), as

well as Kiely's (1996) view, on the close relationship between unions and the political directorate in the Caribbean.

In addition to the political directorate, the ministries' key personnel, who were charged with implementing and also influencing policy reforms, were interviewed. These persons included retired senior civil servants, permanent secretaries, chief education officers and senior officials from within the Prime Minister's Office. Other elite interviewees consisted of union officials from both teachers' unions who served as presidents and members of the executive body. As indicated, most of these persons are retired or, as the case may be, have bowed out of active politics, which made them more accessible and amenable to frank discussion. It also meant that the interviews contained frank and honest accounts of the negotiations with the IMF and World Bank. While willing to disclose information, some interviewees stipulated that they did not want certain comments attributed to them, especially since the interviews were conducted in a tension-filled and heightened political climate as the general elections were on the cards for early 2013 and political campaigning was rife.

#### **4.4 Conclusion**

This chapter outlined the research process undertaken in an attempt to address the research problem which asked: what are the factors and forces which have sustained the social democratic welfare state development model in Barbados despite changes in the global economy which favour neoliberal policies promoted by the World Bank and International Monetary Fund? After careful consideration it was determined that the model's sustainability would be best addressed through an assessment of the government's financial allocation to the education sector particularly during periods of external pressure from the World Bank and the IMF. This resulted

in three World Bank education project loans, which spanned the period from 1974 – 1994, being assessed along with three stabilisation and structural adjustment loans from the International Monetary Fund that were provided during this period. Therefore a mixed methods approach comprising both qualitative and quantitative research methods was adopted, which included semi-structured elite interviews, documentary evidence, statistical data and secondary literature.

The research data was gathered over a period of nine months after which it was analysed using thematic content analysis. The analysis and discussion of this data is presented in the following chapters (Chapters 5, 6 and 7).

## **Chapter 5**

### **The Sustainability of the Barbados Development Model During the 1970s: Education as Contested Terrain**

This chapter is set within the 1970s and provides an analysis of the data on this period in relation to the investigation of the sustainability of the social democratic welfare state through an examination of the education system in Barbados. Primarily conducted through an assessment of the education sector it focuses on the genesis of the challenges which confronted the Government of Barbados while it tried to maintain its high level of social spending in this sector. These challenges occurred during the government's negotiations with the World Bank for the country's first education project loan with this institution and with the International Monetary Fund for its first stabilisation loan. Scrutiny of these loan negotiations acts as a prism through which the sustainability of the welfare state is examined. The chapter draws upon findings from the data collected through the Ministry of Education's administrative files which consisted of minutes of the loan negotiations, aide memoirs between the government and the World Bank, as well as the loan agreement. Additional data came from the Hansard reports, IMF documents and elite interviews conducted with senior technocrats who were directly involved in the negotiations: Permanent Secretaries, Chief Education Officers, Senior Public Officers and executive members of the teachers' unions.

Within the chapter the key players throughout this period (teachers' unions, politicians and technocrats) along with the thesis' main themes emerge. The relevance of the socio-political history of Barbados as discussed in Chapter 3 comes to the fore, as these groups worked together to maintain the country's commitment to social spending in the education sector and by extension

its commitment to social democratic ideology. It serves to reinforce the fact that, through the data presented here, the colonial legacy and importance of the education sector to social mobility and national development resulted in the education sector becoming a highly contested terrain. The chapter demonstrates that even though SIDS are disadvantaged in the international political economy there is always room, even if very limited, to express some level of agency and this can be achieved during the negotiations with international financial institutions (IFIs).

The analysis of these findings is presented below in four separate sections and a conclusion. Section 5.1 reviews in detail the role of education in Barbados' development, transforming it from an agrarian society to a service oriented one. It also explains the importance of formal education in aiding the social and economic mobility of Barbadians. In addition to these, the section focuses on the fact that these developments occurred during a period of economic difficulty which resulted in the government having to seek financial assistance from the International Monetary Fund. This inclusion is significant, since it has been suggested that welfare states are under greater threat during periods of financial instability. Particularly for that reason, it exemplifies the resilience of the Barbados development model in the face of external threats by explaining how the country's technocrats and teachers' unions combined their efforts to act as a countermovement, defending the need for continued (and at times increased) social spending by the government.

This analysis is followed by section 5.2 which looks at the role of the teachers' unions, both the Barbados Union of Teachers and the Barbados Secondary Teachers Union in sustaining the country's development model. Through the actions of these workers' organisations, and their agitation to be regarded and treated as professionals, education planning and development become highly contested issues. This section, therefore, highlights the beginning of what later

become contentious relations between the IFIs (World Bank and IMF) and the Barbados teachers' unions.

Section 5.3 focuses on the ideological clash between the government's perspective of education as a social good and the World Bank's perception of it as an economic investment and commodity. It sets the tone and the rationale for the subsequent clashes and conflict which characterised the Bank's relationship with the government and the teachers' unions. This conflict did not come to an end with the signing of the first loan agreement, but continued well into the 1980s (as we will explore in chapter 6) and the 1990s (to be explored in chapter 7).

Within section (5.4), a series of themes which have importance for this thesis' argument emerge. These are the themes of conflict, consensus, resistance and resilience. The section reviews and analyses the negotiations between the World Bank, the government and union officials. It demonstrates that through the use of various strategies, like sly civility and strengths such as national consensus and technocratic competence, the unions, in conjunction with the government, challenged the dominant ideologies as they related to limiting welfare state expenditure on education. It also reveals a remarkable, albeit understandable paradox and it is that despite operating in austere times the education sector maintained its dominance within the welfare state model, as the government's financial commitment to the sector continued through a determined resolve and manifest resistance to neoliberal policies impositions. The chapter concludes with section 5.5 which provides a summary of the chapter's main findings and discussion.

## **5.1 The Making of a Nation: From Agriculture to Industry**

The decades preceding and following the era of Commonwealth Caribbean independence were marked by vast socio-economic changes for Barbados and the Caribbean (Payne and Philips 2010:60). This period, ranging from the 1950s to the late 1970s, witnessed massive infrastructural developments and major social investments in education, health and social services (ibid).

Under the influence of Nobel Laureate Sir Arthur Lewis' theory of dual economic growth, Caribbean governments implemented a series of policy initiatives to transform their societies from their traditional agrarian dependent economies to modern industrialised states with a more diversified economic structure (Lewis 1950, cited in Girvan 2005:4). Lewis' model perceived development in economic terms and strongly recommended attracting foreign investors to accelerate the development process (ibid). Foreign investors were to be attracted through a series of development initiatives, such as the provision of industrial plants which had subsidised water and electricity, generous incentives and tax holidays of 10 to 15 years (Worrell 1996). In return, the Caribbean, according to Lewis' theory, would learn the tricks of the trade through the transfer of knowledge and technical expertise from foreign investors to local managers (ECLAC 2001: 12). Barbados was no exception to this. However, unlike other Caribbean nations, it sought to attract foreign investors in the labour intensive industries of light manufacturing, producing from 'wearing apparel and food items to pharmaceuticals, watches and electronic components for large multinational firms such as Intel and ladies garment maker Playtex' (LaCorbinère and Belgrave 2011:1) and tourism (IMF 1981: 11).



The country's physical infrastructure was greatly enhanced. This involved the construction of a modern seaport and airport to further attract investors, and the expansion of its road network and highways, as well as improvements in telecommunications (Haynes and Holder 1985:396). Investors were drawn to the country's well-educated and easily trainable workforce, and accompanying low wages (Henke and Marshall 2003: 139). A similar view is supported by Worrell (1995) who claims that 'foreign private investment was a major driving force for the changes which converted the economy from its sole dependence on sugar to tourism and manufacturing' (Worrell 1995:8). These investments were largely responsible for the construction and management of most of the large hotels on the island. Such investments were equally responsible for the improvement in 'some public utilities such as electricity, telephones and external communications' (ibid: 8). It is of particular interest that all of this occurred during a period of continuous economic growth and stability in the 1950s and 1960s, which was evident not only in Barbados, but throughout most of the developing world.

A major contribution to the country's economic growth was the tourism sector, followed by manufacturing which replaced sugar as the main export sector (Howard 2005). Within the space of two decades, Barbados had progressed from being heavily dependent on sugar as its major foreign exchange earner to a service based economy (IDB 2009:1). This strategy has, however, been criticised by some Caribbean academics for its over-reliance on foreign investment (Best 1991: 8). Chided for being nothing more than a form of industrialisation by invitation it was perceived as a new form of colonisation (Belle 1974). Caribbean dependency theorists, mainly the New World Group, were very critical of the fact that the Caribbean was still in a dependent state. They argued that instead of becoming self-reliant its leaders chose the easy option of greater dependency on external forces (ibid). This dependency for them referred to the practise

of having to rely on foreign investment from former colonisers instead of using national expertise, initiatives and resources. The strategy of attracting foreign investment through incentive legislation in order to promote economic growth was perceived by the New World Group as an insult to the sensibilities of a newly independent people (ibid).

Despite these claims of neo-colonialism, DaCosta (2007) is of the view that the development path chosen by Barbados after 'independence was responsible for the country's socio-economic development' (DaCosta 2007:4). This strategy, he claims, was 'supported by a national consensus that openness was the most appropriate option for promoting economic and social progress, given the country's small size and reliance on trade and tourism' (ibid: 212). The government's development plan had the dual effect of creating economic growth and subsequently reducing unemployment, as well as the country's unequal income distribution. Prior to the 1950s, Barbados battled with the perennial problems of income inequality, chronic unemployment and underdevelopment (Worrell 1995:3). However, improvements in the distribution of wealth occurred concomitantly with the gradual amelioration in the poor quality of life for the majority of the population, as the government heavily invested in health care, welfare and other social services, housing and education (Worrell and Saunders 1980:24). The size of the Barbadian middle class increased throughout the 1960s and continued to do so exponentially well into the 1970s and thereafter. This growth has been attributed to the expansion of the public service through increased state intervention in the social sectors and other public services, as well as the tourism sector, whose ancillary services provided additional employment opportunities (ibid: 24).

Data presented in the national census during this period adequately reflects the changes in the type of employment offered to Barbadians. These changes occurred at the same time as the

changes in the economy. This data reveals a general trend in the movement from employment in the agriculture sector to service industries. Younger persons found employment in administration, sales and the services sector, while eschewing agricultural labour (Barbados Census 1980: 128). Likewise, parents also encouraged their children to avoid agricultural pursuits and this increased the stigma attached to this type of work (UNESCO 1978: 47). A summary of these occupational changes is presented in appendix 10.

Central to these achievements was the education sector and the major investments in this area. As a result, the government complemented the process of infrastructural development with the expansion of secondary and tertiary education facilities. To this effect, Williams (1964) posits the view that 'the political and social changes which began to take place in the 1940s indicated that the education system would have to play an important role in any plans for social construction' (Williams, 1964:301).

Having identified a development strategy which primarily focused on '(a) the diversification of the structure of production, (b) full or maximum employment of human resources and (c) greater self-sufficiency in economic performance' (Government of Barbados 1973: 10), the government noted that 'these goals were only attainable if the education sector system produces in the right numbers people with the appropriate skills, aptitude and motivations' (ibid). The education system was also charged with the responsibility of transforming and transitioning Barbados from 'an elitist to an egalitarian society, from a colony to an independent country, and from a mono-crop agricultural society, dominated by the sugar industry, to an increasingly complex and diversified economy' (Government of Barbados 1973:10).

By the 1970s Barbados was registering a 90 per cent attendance rate at both the primary and secondary school levels. This constituted a remarkable improvement on previous occasions where persons were unable to complete elementary and primary schooling because of their inability to pay school fees and the absence of sufficient school places. This occurred despite the absence of compulsory education legislation (Dann 1987). As the World Bank (1973) puts it, 'this achievement underscores the intense interests of parents in their children's education as an instrument of social mobility and economic progress' (World Bank 1978: 3). Increased school attendance was encouraged by the government through the construction of several primary schools in the 1950s and the government's policy in 1962 which removed tuition fees at all government schools (Ministry of Education 1990:15). This relieved parents of the burden of having to pay tuition fees which had often resulted in children having to abandon their secondary education (Barbados House of Assembly, February 24<sup>th</sup>, 1970). As the government of the day noted: 'the education system is providing opportunities for the children leaving school to have different jobs ... forty years ago on leaving school they were either cutting canes or teaching' (Barbados House of Assembly, March 18<sup>th</sup>, 1974).

This rapid transformation to Barbados' social and economic landscape within a relatively short time, from the 1950s to the 1970s, occurred during a period in the global economy that went from economic stability to currency instability. The economy's vulnerability and susceptibility to external shocks was exposed in the 1970s global oil crisis. Following a relatively satisfactory economic performance in the 1960s, the country recorded weak economic growth by 1971 until 1978 (Government of Barbados 1981: 7). The year 1973 was classified as a 'year of problems and set-backs on the international and economic fronts (with) a high degree of currency

instability in the international market' (Barbados House of Assembly, April 5<sup>th</sup>, 1974). The slow growth recorded was attributed not only to the world economic crisis but also to a period of prolonged drought and a decline in private investment in manufacturing and tourism (Government of Barbados 1979: 1). With inflation rising to 8.4 per cent and the foreign reserves falling to 7 weeks of imports in 1976, the government turned to the International Monetary Fund for financial assistance (Haynes 1997: 87; Blackman 1979). Barbados made use of the Fund's Compensatory Financing Facility (CFF) to finance the shortfall in its foreign reserves (ibid). Established by the IMF in 1963, the CFF was designed to provide short-term financial assistance to improve a country's foreign exchange reserve earnings, which in the case of Barbados had deteriorated as a result of exogenous circumstances (Blackman 1979: 4).

Some economic improvement was registered by the end of the decade. The unemployment rate which had previously peaked at a distressing 23 per cent in 1975, fell to 15.6 per cent in 1976, then to 15.5 per cent in 1977, finally levelling off at 13 per cent in 1978 (Barbados 1979; IMF 1981: 3). These improvements were attributed by the International Monetary Fund (IMF) to private investment which was attracted to the country's stable political and social environment (ibid).

Having witnessed the earlier weak performance of the economy occasioned by detrimental external shocks, and being forced to address the island's financial vulnerability head-on, the government in its quest to cushion the effects of future shocks turned towards the manufacturing sector (IMF 1981). There was an overall sense of urgency by the government to continue to diversify the economy, by attracting private investors to boost the manufacturing sector (ibid).

This urgency was driven by the need to create more employment opportunities and to generate higher levels of foreign exchange. However, the one obstacle that stalled the process was the absence of sufficiently skilled technical and vocational workers. Speaking on this matter during a meeting of the House of Assembly, the then Deputy Prime Minister disclosed that 'there are areas of job opportunities that are available in Barbados which cannot be filled because we do not have the people with the requisite type of skills' (Barbados House of Assembly, August 1<sup>st</sup>, 1978). The Minister of Education supported this view when he revealed that large corporations, such as 'INTEL, wanted to come into Barbados to build a new million dollar plant and create about 2,000 jobs, but we did not have the type of people in Barbados trained for the work' (Barbados House of Assembly, August 15<sup>th</sup>, 1978). Similarly the World Bank claimed that as it relates to manufacturing 'the key bottleneck to the development of the sector ... continues to be a lack of skilled manpower' (World Bank 1978:2).

Blame for the country's economic woes was laid at the education sector's door. The education system was criticised for having curricula which disadvantaged large numbers of the Barbados labour force. Teaching staffs were also held accountable for poor student performance and the absence of technical and vocational subjects within the secondary schools because they were not adequately trained to teach these courses. It was assumed that there was a mismatch between the country's manpower needs and the technical and vocational training offered at the secondary and post- secondary levels (UNESCO 1978: 19). This view was reiterated in Parliament by a member of Cabinet who cautioned that 'the information which we are going to give our children at the primary and secondary levels must prepare them or make them more conscious of the industrial development of this country. We cannot afford to continue giving out knowledge or information of a classical mould' (Barbados House of Assembly, August 15<sup>th</sup>, 1978).

To this end, the government revised the primary and secondary school curricula. They were revised to adopt the syllabi that mirrored Barbados and the Caribbean's culture, particularly to embrace historical considerations like its colonial history of slavery and indentureship. The government also sought to include additional subjects such as agriculture and technical and vocational subjects to reflect the country's development goals and needs. Input for the revised curricula was sought from members of the business community and foreign investors as well as trade union representatives, in an attempt to address the discrepancy between the employers' needs and the curricula. Added to this the Minister of Education informed the Parliament that he advised the Director of the Barbados Industrial Development Corporation to inform the INTEL Corporation to 'send down to Barbados the curriculum that they wanted and we would lay it on the people in short courses for however long they wanted' (Barbados House of Assembly, August 15<sup>th</sup> 1978). It should be noted, nevertheless, that despite these declarations from the government, nothing was done to remove the stigma attached to technical and vocational work. These skills were perceived as only suitable for academic failures, and as a result they were not welcomed by the elite grammar schools (former Permanent Secretary, Ministry of Education interview 2012; Barbados House of Assembly *ibid*).

However, before the curriculum reform could take place the government first had to tackle the problem of improving the island's school infrastructure and providing additional school places simultaneously. Increased enrolment rates had placed a greater strain on the school building, and by the early 1970s, Barbados' primary and secondary school facilities were already showing signs of wear and tear and general deterioration (Layne 1990). By this time, many of the buildings were considered unsuitable for formal instruction. The close relationship between church and state meant that primary schools were still located within churches and church halls,

while secondary schools in the rural parishes were sometimes ‘accommodated in old plantations mansions or temporary wooden structures’ (World Bank 1978: 4).

Growing enrolment rates led to overcrowding in most of the island's schools, as teachers were forced to conduct classes in cramped conditions. Conditions were such that all pupils in the schools, despite the various classes to which they were assigned, had ‘to be educated in one room with the noise from one class interfering with the other class’ (Barbados House of Assembly March 17<sup>th</sup>, 1975). Such conditions were not conducive to effective learning. Space was a major problem, and this put paid to any plans to introduce new teaching methods. The teaching of practical subjects, such as the sciences, and technical courses, like woodwork or technical drawing, was often impossible and usually impractical. According to both the World Bank (1978) and UNESCO (1978) in their assessment of the education system during this period,

primary school buildings, often churches or church halls, are old and costly to maintain. Most secondary schools, particularly outside the capital have to use old plantation mansions or temporary wooden huts to house their students. Modern teaching facilities are often ruled out because there is physically no space for student (or teacher) movement. Briefly, majority of the schools in Barbados are obsolescent and non-functional in terms of the activities in modern curricula (World Bank 1978: 4).

The government also had to address the problem of elitism and inequality between secondary schools which were reflected in the different curricula in the newer comprehensive secondary schools and the older grammar schools. There also existed an element of discrimination within the teaching system as well. Whereas secondary school teachers, particularly those of the



grammar schools, 'enjoyed reasonable salaries because of their close association with the children of the upper and middle classes' (Bishop *et al* 1997), primary school teachers whose charges came from among the working class received comparably lesser wages (ibid). In addition to this, there was also a pay discrepancy between male and female teachers, with female teachers receiving only 80 per cent of the wages offered to their male counterparts (Tudor 2009).

In addition to this, further discrimination was observed between the two types of secondary schools, as it related to the administrative control and authority of the Ministry of Education. Despite the establishment of a National Curriculum Development Committee, which included amongst its membership the Director of the School of Education at the University of the West Indies, an Education Officer and a representative of the Barbados Union of Teachers, the secondary school curriculum was 'advisory not mandatory' (UNESCO 1978: 74). This resulted in a situation where the older secondary schools did not always adopt or follow the syllabi proposed by the Ministry of Education and often rejected the introduction of technical subjects in favour of a classical curriculum (ibid).

Discrepancies between the secondary schools were also present in the performance of the students. Overall examination passes were higher among older secondary schools. This, nonetheless, can be accounted for on two grounds. First, older secondary schools, notably the grammar schools, enrolled all of their Form Five (Fifth Form) students into O' level examinations, whereas newer secondary comprehensive schools only entered a third of their students (UNESCO 1978: 58). Secondly, the grammar schools had more trained and graduate teachers than the newer secondary schools, where the majority of untrained teachers taught (ibid). The performance of the newer secondary schools was constantly being criticised with promises by the authorities to address these anomalies. In the 1976 general elections, these

schools were once again subjected to much debate regarding the quality of the education provided and the students' performance. It was noted that 'in the G.C.E 'O' level examinations, these schools have always done worse than the grammar schools. For example, in the year 1970 only 2% of the candidates from the comprehensive schools (newer secondary) were able to pass more than four subjects at one sitting, compared with 8% of the Independent Schools and 32% from the grammar schools' (BLP Manifesto 1976: 13).

This problem, of course, stemmed from the method of selection for secondary schools. Entry into secondary education was dependent on the results of the government's Common Entrance Examination (popularly referred to as the 11+ plus examination) taken at age 11. This assessment determined which children (who were successful) would be selected to attend one of the island's prestigious grammar schools. Those who did not get the required grades for entry into those grammar schools either went to a newer secondary school (a government comprehensive school), an independent secondary school subsidised by the government, or remained in one of the island's primary all-age schools until the age of 14 (BLP Manifesto 1976: 13). The comprehensive secondary schools were criticised by some Members of Parliament as institutions for 'receiving 11+ failures' (Barbados House of Assembly March 18<sup>th</sup>, 1974). Many persons believed that 'those who failed the 11+ examination or who have not got into the few limited places at the government schools are sent to these comprehensive schools' (ibid). Therefore, the stigma of 11+ failure was attached to these schools and demands were being placed on the government to address the matter.

Privileges extended to the grammar schools meant that the demands by their union, the Barbados Secondary Teachers Union (BSTU), were different from those presented by the Barbados Union of Teachers (BUT) on behalf of the teachers from the comprehensive secondary schools. The

BUT has a long history of fighting for professional recognition and for the same rights and privileges that were extended to the grammar schools. Its membership largely comprised primary and comprehensive secondary school teachers (Tudor 2009). The BSTU, on the other hand, was more concerned about the difference between the remuneration offered to its male and female members and the government's perceived attempts to phase out the sixth forms in the grammar schools in favour of the Barbados Community College (former President, Barbados Secondary Teachers' Union interview 2012). Even so, the two unions were unified on the issue of class size and the physical conditions in both the primary and secondary schools (ibid).

## **5.2 Education as Contested Terrain: The Role of the Teachers' Unions**

By the 1970s, both unions had firmly established themselves as strong interest groups, making the area of education development a highly contested terrain. In fact, they quickly became powerful pressure groups, akin to a political force, capable of influencing the government's decisions on education. Commenting on the strength and weight of these unions, a former senior official in the Ministry of Education observed that 'the unions were very strong; there was this kind of fear of the system closing down in case the unions called a strike, and the public generally supported what the teachers did, even though their children were not being taught' (former Chief Education Officer, Ministry of Education interview 2012).

To understand the nature of the teachers' unions and the strong influence they exercised over the education system one has to understand the history of the Barbados teaching service, especially the island's primary school teachers. Their history reflects an on-going struggle to be recognised as a professional group. Here again the significance of historical relations and the impact of a

country's socio-political history in the development of social policy and social programmes is revealed.

In the pre-independence period, the provision of education was the domain of the church, which possessed the right to hire, fire and discipline the country's teaching staff. The island's school teachers, most of who were in the primary schools, came from within the ranks of the majority black working class (Bishop *et al* 1997). They had no social, political or financial power. This incapacity was reflected in the challenges they experienced to gain 'decent remuneration, acceptable regulation and appropriate training in the teaching service of Barbados' (Tudor 2009:1). In addition to this, teachers were forced to operate in schools which were characterised as 'unsuitable for educational purposes' (Tudor 2009:53). It was not until the passage of legislation that allowed for the establishment of trade unions that teachers were given the tools to agitate for improved working conditions and better wages (*ibid*).

Reflecting on this period, Henderson and Marshall (2004) noted that despite their difficulties, with 'the minimum of resources and equipment, principals worked assiduously to create centres of learning, of which they moulded and shaped the human capital of the country' (Henderson and Marshall 2004:2). By the time Barbados achieved its political independence in 1966, members of the teaching staff had fully established themselves as a powerful political force capable of influencing the country's political and social landscape. Teachers operated as agents of change, transforming the Barbadian working class by instilling in 'their young charges that they were capable of progressing beyond the cane fields' (Tudor 2009: 2).

More importantly, the influence of teachers transcended the classroom and into the community. Here, 'they served as Sunday school superintendents, preachers, organists, managers of friendly

societies and youth groups' (ibid). This heavy involvement in community life serendipitously cemented the place of teachers as a highly respected group throughout Barbados long after the independence period. It is, therefore, not difficult to understand the high esteem in which they were held and the high levels of support that they received from the general public.

After having achieved their professional status, teachers, under the umbrella of their unions, started to agitate for security of tenure, additional teaching staff, the provision of ancillary staff, the provision of non-teaching periods, and reduced class sizes for primary school teachers, as well as better facilities and equipment (BUT 1977:12). They also complained about overcrowding at the newer secondary (comprehensive) schools, requesting that the annual intake be reduced (BUT 1977: 28).

The teachers' unions also agitated for better working conditions, which they often thought were ignored. At one of its annual general meetings, an executive member of the Barbados Union of Teachers' declared that 'the Union exists in order to defend its members' rights fearlessly' (1977: 27). He let it be known that 'for too long people have been able to isolate and victimise teachers in secret. All sorts of injustices have been carried out on teachers in the past in very devious and underhand ways' (ibid). This statement shows that while the union was powerless and did not have the machinery to protect its members in the past, it was, however, in the independence period, aware of its influence and power and was not afraid to use it. Awareness of this strength was evident in two general strikes which the BUT organised against the government during this period: in 1969 and 1974. On both occasions, the teachers completely shut down the island's schools in agitating for their rights (Tudor 2009; BUT 1976: 13).

The influence of the unions was not limited to national officials but, as the following sections and chapters will demonstrate, the Barbados Union of Teachers was also able to directly influence the negotiations between the Government and the World Bank. Indeed, while speaking about the government's negotiations with the Bank, a senior government official admitted that the Ministry of Education was in constant limbo, having to manage the unions' demands and the Bank's requirements (former Chief Education Officer, Ministry of Education interview 2012). In most cases, the Ministry officials were sympathetic to the unions' demands (ibid).

### **5.3 Financing Education Development: A Clash of Ideologies**

Having noted the problems which consistently plagued the national economy, as they relate to the shortage of manpower, low productivity and high unemployment, the education system was charged with the responsibility of ameliorating these conditions. For a start, however, this was not possible without first improving the schools' facilities, setting about revising the core syllabi through the introduction of technical and vocational courses and addressing the discrepancies that remained between the grammar and newer secondary schools. A basic problem existed, nonetheless. The political directorate, although desirous of providing primary and secondary education to all Barbadians between the ages of 5 to 14<sup>5</sup>, realised that it did not have enough school places. This state of affairs resulted in those students who were not academically able to qualify for the prestigious grammar schools, having to stay in primary schools or the newer secondary (comprehensive) schools until age 14 (UNESCO 1969: 10).

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<sup>5</sup> In 1983 the school leaving age was changed to 16, although for the grammar schools which did the A' level exams the students remained until the age of 18.

In an attempt to remedy this situation external assistance was sought via UNESCO in 1969 to devise 'a long term strategy for educational development in the country' (Barbados 1973: 10). The outcome of this assistance was delivered in a 1969 report prepared by UNESCO, whose major recommendations called for a 'restructuring of the education system to reflect the changes in the economy and employment patterns' (UNESCO 1969: v). It was, therefore, suggested that greater attention should be paid to technical and vocational training (ibid). The report also called for an increase in the administrative staff at the Ministry of Education to ensure that there was a greater focus on education planning and curriculum development. A recommendation was also proffered to remedy overcrowding in primary schools through the incremental expansion of the school plant and the construction of new schools to provide an additional 12,000 places (ibid). As to the secondary education aspect, the report suggested abandoning the 11+ examination which all primary school children were required to take in order to gain a place in a secondary school. Teacher training was also identified as another area for improvement, along with the introduction of other learning resources and pedagogical aids such as multimedia facilities (UNESCO 1969:19).

In response to these recommendations, an agreement was signed by the Ministry of Education for the commencement of a joint UNESCO/UNDP/UWI Teacher Training and Curriculum Development Project in 1972 (Government of Barbados 2000). This marked the beginning of a long history of multi-lateral involvement and influence over Barbados' education system. It also marked the beginning of the process of contest and conflict between national interests and international requirements.

Whereas UNESCO was able to provide technical assistance, it did not have the resources necessary to fund the physical expansion of primary and secondary schools (former Prime

Minister and Minister of Education interview 2011). The government was also unable to finance the education reforms on its own, particularly since it was experiencing balance of payment difficulties as a result of the effects of the oil crisis and subsequent effects of the global recession on its key tourism and manufacturing sectors (IMF 1981:4). With insufficient financial resources to provide the facilities to equalise the education process, and under the advice of UNESCO, the Government of Barbados approached the World Bank in 1972 for funding.

### Banking on Education: The World Bank and Education Financing

The Bank's understanding of the social sectors is conducted strictly along economic and apolitical terms. Its focus, with regard to the social sectors, is primarily on the financial returns that can accrue. With a very economic centred focus, 'its operational and intellectual culture is perceived as leaning towards a policy approach characterised by economisation, qualification and a so-called blue print' (Vetterlein 2012: 38). This view is supported by Broome and Seabrooke (2012: 8) who in their dialectical analysis of international organisations claimed that these institutions operate on strictly economic terms and 'do not view member states as cultural, religious or military entities that are to be comprehended through an analysis of their economic policies and institutions'. Broome and Seabrooke (2012) further note that, these economic policies often disregard local knowledge, resulting in a misunderstanding of the social, cultural and political circumstances that affect the environment within which their funding would impact.

The Bank's education policy focuses on cost-effectiveness and efficiency whereas Barbadian officials, including the teachers' unions, perceived education as a social good. The Barbadian government's education philosophy is best encapsulated by a former Deputy Chief Education Officer who oversaw these negotiations with the Bank. He recognised that 'our outlook has more



to do with looking at the social side, looking at people rather than things. The Bank looks at making a profit on money or resources ... economics, but we are about people too and we put more emphasis on people than on economics and that is where we are, if not we would not have free education' (former Deputy Chief Education Officer, Ministry of Education interview 2012). According to this official as well as a former Permanent Secretary these ideological differences and perspectives resulted in strained negotiations between the Government of Barbados and the World Bank, with the Bank's education policy perspective varying dramatically from that of the government and its teaching service (ibid).

Although the World Bank provides financing with interest rates just marginally more favourable than those of commercial banks, there is a propensity for developing countries to approach the Bank for development loans as opposed to commercial institutions. This preference has been rationalised on the grounds that the Bank's funding is always accompanied by technical assistance and advice (Jones 1997). It is suggested that the World Bank's in-house expertise and specialist staff are seen as providing assistance 'far beyond the capacity of the traditional banking sector' (Jones 1997: 19).

Despite objections in the early 1970s to the Bank's involvement in education policy, UNESCO produced several education sector reviews on its behalf (Heyneman 2003: 328). In fact, the Bank noted that the UNESCO report, *Learning to Be*, 'widely influenced (its) thinking in categories which the Bank was not prepared to finance at the time but eventually did, such as curriculum development and primary education' (World Bank 1980: 79). UNESCO, therefore, has had substantial influence on the Bank's perspective of education and its criteria for financing education projects. Nonetheless, UNESCO has been accused, in some quarters, of losing its

professional credibility, since 75 per cent of its cooperative programmes were financed by the Bank 'placing UNESCO in a position of compromise' (Heyneman 2003: 329).

Throughout the early 1960s and into late 1970s the World Bank's education sector policy focused primarily on enhancing a country's manpower skills to match its economic needs. This often resulted in 'increased aid for primary education, with more emphasis placed on technical education (and) ... expenditures for the construction of physical facilities' (World Bank 1980:7). Although focusing on the quality of learning, the Bank's policies had a heavy emphasis on quantitative efficiency, mainly in the area of the flow of students, students to teacher ratios and the use of space (World Bank 1995: 53).

Criticism has also been levelled at the Bank for the methodology it employs to measure the rate of return on educational investment. According to Bennell (1995), its focus is on measuring the quantifiable outcomes of a country's education expenditure (Bennell, 1995, cited in Jones 1997: 45). He argues that perceiving education in these strict economic terms overshadows other relevant learning outcomes such as 'literacy, numeracy and oracy' (ibid); and instead, it shifts the focus in favour of measurable targets such as 'rates of return, efficiency criteria and maximum utilisation' (ibid).

In his assessment of the Bank's narrow focus on economic outcomes during the 1970s, 1980s and 1990s Heyneman (2003) explains that this heavy economic emphasis is related to the academic background and interests of the Bank's staff during this period. The majority of its education planners were economists with 'expertise in manpower forecasting' which often resulted in a very narrow view of education (Heyneman 2003: 320). He advises that an understanding of the World Bank's education sector policy is of critical importance because of its far reaching implications,

since the international education agenda is strongly influenced by the Bank, which, after all, is the largest education donor (Heyneman, 2003). In its 1995 education sector review paper the Bank supports this claim when it states that 'the volume of its finance gives (it) a leadership role among donors' (World Bank 1995:122). It is for this reason, that, like Heyneman (2003), Bennell (1995) warns that 'what the Bank has to say about education policy in developing countries is, like it or not, extremely important and must, therefore, be scrutinised very carefully' (Bennell 1995 cited in Jones 1997: 46). This heavy influence has led many to believe that 'local policymakers have become passive recipients of the Bank's agendas' (Heyneman 2005: 315).

The Bank's perspective on education had strong implication for its negotiations and interaction with the Government of Barbados. Barbados entered into negotiations with the International Bank for Reconstruction and Development (World Bank) with the intention of transforming the Barbados education system. This it envisaged would be realised through a revision of the primary and secondary school curricula, complemented by the expansion and construction of additional secondary and primary schools. As previously noted, the revised curricula were occasioned by several internal and external factors of which the key ones were the physical conditions of the school infrastructure, youth unemployment and the growing public expectation regarding the socio-economic transformational role of the education system. These internal issues were accompanied by external pressures that required economic diversification and a movement away from a heavy reliance on the dwindling sugar industry and the vulnerable and capricious tourism sector.

However, there were ideological differences in the World Bank's and the government's perception of the role and purpose of education. While the government's political orientation was geared towards social democratic ideological perspectives, particularly as it relates to those

social sectors that directly and intimately influence the wellbeing of the masses (education, health, housing and welfare services), the World Bank's concern was mainly an economic one.

In relation to Barbados' education sector, the Bank explicitly revealed that 'internal efficiency gains are the objectives of projects that support increased teacher to student ratios' (World Bank 1995: 108). The policy priorities identified here were evident in their negotiations and agreements with the Government of Barbados but contrary to Heyneman's (2003) characterisation of policymakers as being passive recipients, the Barbados situation presents an alternative perspective by challenging the Bank's education ideology.

As for the unions, despite their challenges with the Barbados government, they shared its education philosophy, while objecting strenuously to the Bank's stance on the education sector. For them, as well as the technocrats in the Ministry of Education 'the World Bank's concept of cost efficiency in education is one based on numbers. It has absolutely nothing to do with the quality of education which cannot be measured in numbers' (former Deputy Chief Education Officer, Ministry of Education interview 2012). Thus, these negotiations, which started in 1974, signalled the beginning of a long process of ideological clashes and conflict, with both the government and the unions employing various strategies to challenge and reject the imposition of what they perceived as a threat to the country's welfare development model.

#### **5.4 Negotiating Globalisation at Home: Challenging Dominant Ideologies**

The World Bank's mission team arrived in Barbados in 1978 to find that the education sector was a highly contested terrain. Barbadian policymakers throughout the negotiating process tried to retain policy autonomy and control as it related to influencing the country's education product. This stance resulted in continuous ideological clashes between World Bank officials and senior

policymakers within the public service. Barbadian technocrats were not prepared to negotiate certain aspects of the education system and neither was the World Bank prepared to shift its perspective (World Bank, 1991; former Permanent Secretary, Ministry of Education interview 2012). The two key contentious issues during the negotiations of the First World Bank Education Project were that of teacher to student ratios and the economic use of space. According to former Prime Minister, Sir Lloyd Erskine Sandiford, a former long-standing Minister of Education himself in a previous period, Barbados' negotiations with international financial institutions can be characterised as 'a fight, a fight to justify and maintain Barbados' welfare model' (former Prime Minister and Minister of Education interview 2011). He disclosed that the country was 'always under threat because the people who are their technocrats come not only with the philosophy with which they work, but they come with their personal preferences ...(and) you have to know your national goals and stand up for them' (ibid).

Negotiations which started in 1974 were finally concluded in 1978 as Barbados signed its first education development project loan with the World Bank. Preceded by a UNESCO mission in 1974 and again in 1978 (UNESCO 1974; 1978), whose purpose was to conduct a pre-investment sector review for the World Bank, these negotiations were fraught with contention and conflict as a result of clashes between the policymakers at the Ministry of Education and the World Bank's mission team.

The signs were not good before 1974. Initially, the Bank was unwilling to provide assistance to the Government of Barbados when officials from the Ministries of Finance and Education first approached it in 1972, as Barbados was not considered as a priority country for development lending in education (former Prime Minister and Minister of Education interview 2011). As tersely stated by the Bank, the country did not initially qualify for assistance since it already had

a 'high literacy rate and relatively well-developed education system, although the physical facilities were deteriorating' (World Bank 1991: 3).

Nevertheless, after considering UNESCO's education sector report in 1974, a Bank mission team was sent to Barbados. Three priority areas were identified for funding. These were: the equalisation of education opportunities; modernising the education system to provide more classes for science and technical and vocational training; and improving efficiency in the education system so that the first two objectives could be achieved without increasing the already high costs of education (ibid).

Whereas the Ministry's officials had no objection to the first two priority areas, it was the last one that received the greatest resistance, since improved efficiency was to be achieved through increasing teacher to student ratios and addressing what the Bank regarded as the uneconomic use of space (former Deputy Chief Education Officer, Ministry of Education interview 2012). These two suggested reforms were fiercely challenged by the policymakers with the conflict between the Bank and the borrower residing in their differences in how education was regarded, whether as a narrow economic good or as having a pivotal wider social contribution.

The government was able to challenge and resist what were perceived as threats to the country's development model through the use of sly civility, technocratic competence and national consensus. As will be demonstrated throughout this chapter and the following ones these strategies became powerful tools in maintaining the government's commitment to the education sector in the face of strong opposition from an international financial institution. They enabled the government to confront opposing ideologies and create a space to exercise agency amidst the restrictive structures of international funding.

### Challenging Dominant Ideologies: Teacher to Student Ratios

The World Bank is usually concerned about the growth of public sector financing, and consistently advocates restraint on government spending on services. Pertaining to the education sector, Bank officials have consistently argued the case for greater efficiency and cost-effectiveness in the sector's budgetary planning and allocations. Throughout the 1950s and well into the 1960s, developing countries' education budgets ballooned, as the sector's potential to contribute to social and economic growth was realised. The Caribbean was not exempt from this. The social demands for education, the need for highly skilled workers and the political gains to be made from investing in education resulted in it taking a prominent role in public finances in the Caribbean (Downes 1993:4). However, the economic downturn which followed the oil crisis in 1973 meant that many governments faced the dilemma of whether to invest in human resources or engage in fiscal restraint (Knight 1989: 7). This potentially resulted in clashes between governments and World Bank officials because of the former's domestic political commitments.

In Barbados' case, concerns were expressed over the government's high expenditure on education. For Bank officials, the investment in the education sector needed to be rationalised and contained through the application of cost effective measures (World Bank 1978). One way of achieving this was to increase the student to teacher ratios (ibid).

The Barbados education sector received 20 per cent of the government's recurrent expenditure, the highest for any sector. Within this 20 per cent, the Bank noted that 'teachers' salaries constituted 80 to 90 percent' (World Bank 1980: 39). Hence, it was rationalised that increasing

the teacher to student ratios should have the effect of significantly reducing the government's budget 'without affecting the quality of education provided' (ibid: 39).

By increasing the student to teacher ratios the government would indirectly, and over the medium to long term, effectively reduce the number of teachers and subsequently its recurrent budget. The theory of teacher to student ratios is related to the recurrent cost of education to a country. Research conducted by the World Bank's staff demonstrated that the education budgets could be reduced by 5 per cent annually if class sizes were increased (World Bank 1980). Bank officials were of the opinion that 'the average load of a teacher is so light that it can be increased without adversely influencing his effectiveness' (World Bank 1980:40). They also argued that instead of negatively affecting student performance, 'some studies have associated large classes with better performance from students' (ibid). Likewise, they also posited the view that the 'variation in size of the class within a range of 20 to 40 makes little or no difference in average achievement' (World Bank 1980: 39).

Of the Barbados' situation, the Bank perceived the 'teacher to student ratios as uneconomical' (World Bank 1978:7). It was noted that 'at the primary level, salaries account for 84% of recurrent expenditures and at the secondary level for 87%' (ibid). In addition it claimed that 'an increase in teacher to student ratios from 1:21 to about 1:29 in primary schools and 1:17 to 1:23 in secondary schools would decrease unit cost per student' (World Bank 1978: 7). This, in the Bank's opinion, would ensure that the education sector functioned in a cost effective and advantageous way.

These policy proposals became an area of disagreement throughout the negotiations for the First World Bank Education Project Loan. Barbadian policymakers strongly defended the teacher to



student ratios, stressing that the additional teachers were needed for specialist areas such as remedial teaching, music, science and guidance and counselling (former President, Barbados Union of Teachers and Minister of Education interview 2012). They felt that the Bank applied a standardised blue-print model to all developing countries without considering the peculiar local needs (ibid). For them, the island's education system was being unjustifiably compared to other countries in Latin America and Africa which often had a teacher to student ratio of 1:50 (former Deputy Chief Education Officer, Ministry of Education interview 2012). They believed that the Bank approached the situation through the use of mathematical and economic formulae. One policymaker, in objection to this, remarked that 'it was not a numbers game ... you cannot employ people based on numbers, you employ people based on the resources that you need to successfully execute the programmes' (ibid).

It should be noted that the government was also being heavily pressured by the local teachers' unions (the Barbados Union of Teachers and the Barbados Secondary Teachers Union) and the electorate, both of whom had growing expectations and demands for the education system. Indeed, a former president of the BSTU warned that increasing the class size would have put additional strain on teachers (former President, Barbados Secondary Teachers' Union and former senior teacher interview 2012). In his view 'one can get away with 30 even 32 in a math class. How could one teacher do a practical subject like Chemistry or Home Economics with that number? There is a danger factor there, and the unions would not and could not support putting that type of unnecessary pressure on their members' (ibid).

That apart, the fact of the matter was, the government was in a bind. To expand the primary school facilities and upgrade the secondary school plant, it needed funding. So, in an effort to maintain a measure of autonomy over the education sector, despite being in a weakened financial

state, the government sought to appease the World Bank, by employing the strategy of sly civility. A term borrowed from Bhabha (cited in Seabrooke and Hobson 2007), sly civility is a covert form of resistance. It is the process by which 'agents appear to adopt a dominant discourse, but filter them through their own cultural lenses so as to produce something new' (Seabrooke and Hobson 2007: 17). The Government of Barbados, therefore, agreed to and gave a commitment that it would review and assess the teacher to student ratio throughout the project implementation process (former Permanent Secretary, Ministry of Education 2012). The teachers' unions, although often at odds with the Government, understood the need to use this particular tactic. Reflecting on the negotiations with the World Bank, a former BSTU president noted that 'one had a certain suspicion of the World Bank. Its modus operandi elsewhere was known, but one needed the money so one took the devil and tried to limit the extent of the devilry' (former President, Barbados Secondary Teachers' Union and former senior teacher interview 2012).

A former Permanent Secretary who worked on both projects did divulge that, in the initial project design, the Ministry of Education had to rework the project to ensure that they got what they wanted, while trying to satisfy the Bank's requirements. This, he admitted, was not done without the Bank's mission team's knowledge, but, in fact, it was one of the team leaders who proffered the idea. As he decidedly put it, one the Bank's mission leaders said:

you are not going to get money to build primary schools per se, and you are not going to get money to expand secondary education per se, but we can work together to get a project that we can sell to the Bank...

As far as primary education is concerned, he said if you could justify a way of building schools to make them more economically feasible to deliver the programme I could try to sell that to them. And, that was that! We put together a programme which sought to build 10 new primary schools, larger units, and phased-out a lot smaller and admittedly less efficient ones. Similarly, with the secondary schools it was the same thing. He said we are not going to give you classrooms, full stop. But, you have some poor laboratories and we will be prepared to give you new laboratories. What you want to do with the old rooms where you have laboratories now, that is your business. They would provide me labs at 6 secondary schools and refurbish the existing rooms to make classrooms; and that is how we sold that project (former Permanent Secretary, Ministry of Education interview 2012).

Clearly, in this instance the strategy of sly civility worked in the government's favour. Manipulating or formulating projects to accord with the Bank's priority areas is not a new phenomenon, but it is a tactical approach often used by borrowers in order to find an expedient way to fund education programmes. Governments are not ignorant of the World Bank's funding priorities, and so would often write education plans and programmes to satisfy Bank staff (Heyneman 2003: 320). What they do when they received the funding is a totally different matter. Often times, it is a case of rhetoric versus reality.

In fact, Jones (1992) discloses that,

‘those borrowers who have stood firm against the Bank's overbearing style and policy prescriptiveness are those who most effectively utilised the finance made available through it. Those who are intimidated by it appear most vulnerable to the impact of its

collective operational elements, project and programme activity, policy advice and intellectual influence' (Jones 1992: 267).

Evidence of this strategy and its success is witnessed in a Bank review of the First Education Project. Its officials disclosed that the issue of teacher to student ratios was never addressed; and instead of increasing the ratios they actually decreased (World Bank 1991). Over time, the country's falling birth rate also contributed to the reduced ratios, and this in turn resulted in reduced school enrolment, as well as the government's concession to the Barbados Union of Teachers' demand to employ additional teachers.

This particular policy issue remained a debatable one for the World Bank and the Ministry officials until the last education project was completed in 1999 (World Bank 2001). Not only did this demonstrate the effectiveness of this particular strategy, but it indicated, as is underscored in the next chapter, that governments can decide during loan agreements and financial difficulties which areas would remain protected and which ones would be exposed to the influences and dictates of international financing institutions.

### Challenging Dominant Ideologies: the Economic Use of Space

As noted previously, the World Bank was concerned with improving efficiency in the education sector throughout the 1970s and into the 1980s. One way in which it believed this could be achieved was through the efficient use of space. Unused or underutilised spaces were perceived as wasteful and inefficient, particularly since 'the creation of student space for the expansion of education involves high capital' (World Bank 1980: 34). In their assessment of Barbados' education system Bank officials considered the presence of school assembly halls to be an inefficient and wasteful use of space. According to the Bank, this uneconomical use of space

could not be financially justified, especially in a balance of payment crisis. It was, therefore, proposed that those primary and secondary schools, which were earmarked for construction, should not have space allocated for an assembly hall. However, in an open act of solidarity both the Government and the unions fiercely objected to this proposal. On this matter they remained unwaveringly united.

Barbados' welfare development model, of which education is a critical component, is steeped in cultural values that focus on the community. This is reinforced within the school environment which is perceived as an extension of the wider community. Commenting on this feature a senior policymaker who took part in the negotiations indicated that, 'in our case we really put a lot of emphasis on the corporate life of the school' (former Chief Education Officer, Ministry of Education interview 2012). He was categorical that in the Ministry of Education it was made clear that 'we had to have this space and it could not be on economic terms' (ibid).

Morning assembly and daily ethical instruction were considered essential in the schools' role in the students' rounded education, while also contributing to their overall socialisation. Some officials believed that the removal of the assembly halls would have affected the moral fibre of the schools and the community as a whole. They reasoned that it was during the daily general assembly sessions, (which took place in the school halls), when the principals and senior teacher's influence was noticeable and respect for authority reinforced. They explained that 'it was an area of discipline where students see all their teachers in one setting, and it helps to build the community spirit in the schools' (former Permanent Secretary, Ministry of Education interview 2012). The government constantly had to defend this ideological position. The two entities struggled to find consensus, with the Bank eventually conceding.

This small but significant victory for the government was attributed to two factors: its technocratic competence and national consensus on issues relating to education planning and development. A former Chief Education Officer (CEO) informed that in dealing with the World Bank 'Barbados had a tremendous amount of confidence' (former Chief Education Officer, Ministry of Education interview 2012). This technocratic competence is further observed when the Barbados negotiating team conducted its own research to provide evidence which contradicted the data and research presented by the Bank. Their cogent data revealed that within the developed countries similar school facilities existed; and this information was used to challenge the Bank's stance.

On the issue of national consensus, the discussions between the Bank and the Ministry of Education revealed the importance of solidarity between technocrats and the Government. Successful defence of the country's policy positions is dependent on the conviction and mutual agreement between the two. The technocrats must first believe in the government's goals before they can defend them or fight for them (former Prime Minister and Minister of Education interview 2011). National consensus, therefore, played an important role in the negotiations with the Bank, and it did not occur only at the level of administrators but also at the parliamentary level. In point of fact, both the government and the opposition were in agreement as to the direction and the role of education in national development. To be sure, a member of the opposition reminded his parliamentary colleagues during a debate in the House of Assembly that, 'there is not much difference between the main political parties in Barbados as to the path which the education policy of this country should follow' (Barbados House of Assembly, March 18<sup>th</sup> 1974). His counterpart within the ruling administration shared this sentiment when he remarked

that 'where education is concerned and the development that may be required, there is a measure of agreement' (Barbados House of Assembly, March 17<sup>th</sup> 1975).

The expedience of national consensus in negotiations with international financial institutions must not be underestimated. The absence of unanimity on national development issues could result in technocrats undermining the efforts of the government. Broad (1988) in her study on the Philippines negotiations with the World Bank and the IMF demonstrates the relevance of national consensus. Her research disclosed that after becoming aware of the divisions between technocrats and government officials, both the World Bank and the IMF exploited these divisions. Broad (1988) explains that in the Philippines, the Bank initially met with opposition from that country's economic nationalists but 'this high level resistance was overcome in good part because of the corps of western educated technocrats ... they were the World Bank's counterparts on the inside. They thought like World Bank economists ... and they spoke the language of mathematic formulas' (Broad 1988: 73). Her research emphasised the crucially important role of national consensus on social development when negotiating in adverse conditions.

#### Contention and Compromise: Barbados' First Education Project

After four years of protracted negotiations between the World Bank and the Government of Barbados, an education project was finally agreed upon. On October 26th, 1978, the Government of Barbados signed the loan agreement for the First World Bank Education Project with an estimated cost of USD14.5 million of which 62 per cent of the financing, that is USD 9 million, was to be provided by the Bank and the remainder by the Government of Barbados. The project was scheduled for completion by 1983.

The First Education World Bank Project sought to:

enhance the effectiveness and efficiency of the education system; make possible the effective application of modern and relevant curricula; provide more equitable distribution of education opportunities and improve the cost effectiveness in the education system (World Bank 1978: i).

These aims were to be met through the amalgamation of several small uneconomical primary schools to be replaced with the construction of 10 schools. It also included the 'construction, furnishing and equipping of six secondary schools; and equipping and furnishing a secondary school. Additionally, it called for the construction and furnishing of an expansion to the Erdiston Teachers' Training College; the construction and furnishing of the Barbados Institute of Management and Productivity, and technical assistance to the Ministry of Education for project implementation' (World Bank 1978: i -ii).

Although the project was finally agreed upon, its conceptualisation marked the beginning of a long process of contention, compromise and consensus. The Bank, the government and the trade unions continued to interface and clash on several issues as the declining global economy presented new challenges to the country's social democratic ideology.

## **5.5 Conclusion**

As it relates to the 1970s period the data presented in this chapter has identified those factors and forces within the 1970s in Barbados that worked to sustain the social democratic commitment to education during this era. The chapter demonstrated that in spite of pressures from the World Bank and despite the unfavourable economic conditions under which the loan from the Bank



was negotiated, the Barbados government remained committed to its welfare state ideology. The data disclosed that those forces which contributed to this were the teachers' unions, the technocrats within the Ministry of Education and not only the Government of Barbados but its political opponents, the Democratic Labour Party, who also espoused a commitment to social democratic ideology. The teachers' unions however, emerged as the main force behind the continued commitment to education in Barbados. Here the significant influence of the socio-political history of education in the political economy of Barbados is highlighted.

This chapter also disclosed that the demands from the World Bank were challenged by the unions and the government through use of sly civility, technocratic competence and national consensus. Specifically the chapter underscores the importance of national consensus as a force of resistance. This consensus is however reinforced by the historical importance of the education sector to national development and social aspirations in Barbados.

While the First World Bank Education Project commenced in 1978 with the signing of the loan agreement, as Chapter 6 reveals, its implementation proved even more contentious. This project was implemented in unfavourable economic conditions which tested the Government of Barbados' commitment to social democratic welfare ideology and threatened the sustainability of the model. The government not only had to address the demands of the World Bank but the International Monetary Fund as well. The unions in turn found themselves challenging not only external forces (the World Bank and the IMF) but internal ones as well (the government).

## **Chapter 6:**

### **Rhetoric vs. Reality: the Sustainability of Barbados' Development: A Review of the 1980s**

Teachers are in a war being fought over the future of education, and while at times it might seem as though we are losing the war without firing a single shot, we have a potentially powerful weapon in our hands – our solidarity and organisation into powerful teachers' unions. (Weiner and Compton 2008:6)

The data presented in this chapter addresses the research questions which focused on: (1) the level of flexibility which the Government of Barbados has during its loan negotiations with the World Bank and the International Monetary Fund, (2) the impact of the recession in 1981/82 which subsequently led the government to seek financial assistance from the IMF, and its effect on the government's financial commitment to the education sector and (3) the role of the teachers' unions in presenting themselves as a countermovement challenging the imposition of neoliberal policies from the IMF and the World Bank thereby sustaining Barbados' social democratic welfare state model in the 1980s.

These questions were investigated through an assessment of the implementation of the First World Bank Education Project and the negotiations for the Second World Bank Education Project loan which all occurred in adverse economic conditions. These economic conditions served to weaken the government's bargaining power during the negotiations and particularly damaged the consensus between the government and the unions. However, as it would be demonstrated below both entities, throughout the 1980s, managed to sustain the country's development model through various strategies from outright labour agitation in the form of strike action, to the manipulation of the Cold War geopolitics to extract favourable loan agreements.

The unions, nonetheless, are presented once again as the main resistance force, challenging both the government and the IFIs.

These findings and their analysis are discussed below in four sections. The first section (6.1) focuses on Barbados' economic crisis in the early 1980s, which resulted in the country having to seek financial assistance from the IMF (the Fund) by way of a stabilisation loan. It also looks at how the government exploited the geopolitics of the Cold War period to obtain favourable loan conditions from the Fund.

Section 6.2 focuses on the implementation of the First World Bank Education Project. This is done in an attempt to investigate the impact of the Bank's neo-liberal policies on Barbados' education sector and to ascertain whether these policies led to the state's de-emphasising its social democratic principles. The operational structure within which the Government of Barbados had to implement the First World Bank Education Project, as well as to negotiate the terms and conditions of the Second World Bank Education Project loan was severely restricted. This environment differed largely from that of the First World Bank Education Project which was hammered out from a position of national cohesion, but against a background of much neoliberal pressure. The government in the 1970s had the backing of its technocrats and the support of the labour unions to resist some of the Bank's demands. However, by the early 1980s, the state's ability to maintain its commitment to a social democratic philosophy and its capacity to manage national expectations were weakened.

In section 6.3 the teachers' unions emerge once again as the main force challenging the imposition of neoliberal principles on the education system in the 1980s. They confronted both the local policymakers and the international financial institutions and demonstrated that

neoliberal policies could be challenged successfully from below, at the level of organised labour. Through their efforts and the power of the electorate, they acted as a counterforce, sustaining aspects of the welfare state model and forcing the government to uphold its commitment to that model. The unions, in this segment, demonstrate that even in difficult times, and when governments are operating from a disadvantageous position in the international political economy, they can still exercise some level of agency.

The conclusion (section 6.4) underscores the chapter's salient points and notes that, despite claims of its demise, the welfare state paradigm for education has endured the test of time and the prevailing dogma, even if in slightly altered forms. It continues to survive in Small Island Developing States notwithstanding these countries being highly susceptible to neoliberal influences because of their dependent condition and attendant vulnerability. It also reiterates that this survival and resilience is due in large part to the trade unions' resistance, coupled with the influential power of the electorate.

## **6.1 Warning Signs: Trouble on the Horizon**

Having declared to the electorate in 1981 that his administration was responsible for 'laying the foundation of the modern welfare state in Barbados (which was led) by a social democratic party committed to giving the population ... full protection from the hazards of sickness and unemployment' (BLP 1981: 23-24), Prime Minister Tom Adams found himself in the throes of a rapidly changing global economy and in the midst of a national economic crisis. His administration entered the 1980s faced with a debt dilemma. On the one hand, the country was hard pressed to effectively manage its international debt obligation to repay its creditors and adhere to loan conditionalities which required fiscal restraint; and on the other hand, it sought to

fulfil national expectations which often required continued and at times increased state expenditure.

After two decades of moderate economic growth and impressive social development, the Barbados economy entered the 1980s facing a gloomy future. While the government was able to weather the global downturn of the early 1970s, the impact of the international recession in the 1980s had a far more damaging effect on its economy. Steep declines were registered in all the major industries of manufacturing, tourism and agriculture. The decade of the 1980s brought with it mixed economic fortunes that were chiefly characterised by high inflation, severe balance of payments problems, high unemployment and strained foreign reserves (Government of Barbados 1983; IMF 1983; World Bank 1985).

Initially, the government's development plan for 1979-1983 anticipated a positive economic outlook, with continuous growth in the key sectors of manufacturing, tourism and sugar. Economic planning was based on projected growth of around 3.5 per cent, 5 per cent, 7 per cent and 7.4 per cent in the sugar, manufacturing, construction and tourism sectors, respectively (Government of Barbados 1979: 45). In turn, this growth was expected to generate additional employment in all sectors, except in the sugar industry where employment levels were expected to remain constant. The unemployment rate was, therefore, estimated to decrease from 13.9 per cent in 1978 to 7.8 per cent in 1983 (ibid). It was also anticipated that consumption expenditure would decline from 87.6 per cent of the gross domestic product (GDP) at market prices in 1978 to 83.5 per cent in 1983, and 'government's consumption expenditure would decrease from 17.2 per cent of GDP in 1978 to 15.3 per cent in 1983' (Government of Barbados 1979: 40). These prospects, however, never materialised, and by 1982 the economy took a nosedive as the effects of the 1981 world recession severely impacted the country's economic growth. The total national

debt, which was BDS \$258.8 million at the end of 1976, had ballooned to BDS\$760.0 million by 1982 (Barbados 1983: 16). The government was then forced to revise its economic strategy and outlook to take into consideration the nation's plight, projecting a lower growth rate of 3.5 per cent over the planned period (Barbados 1983: 37). Details of the government's foreign debt are presented below in table 6.1 highlighting Barbados' increasing debt burden.

<b>Table 6.1 Barbados Debt as a Percentage of GDP 1982-1989</b>								
Years	1982	1983	1984	1985	1986	1987	1988	1989
Foreign Debt as a Percentage of Export of Goods and Services)	9.3	4.3	4.4	7.2	6.3	12.2	9.1	7.9
Central Government Foreign Debt as a Percentage of GDP	16.1	18.3	17.6	20.4	24.1	28.3	29.6	26.3
Total Debt as a Percentage of GDP	38.3	40.4	41.5	45.5	49.2	51.2	52.9	50.5

Source: Barbados Economic Report 1995, (Ministry of Finance and Economic Affairs April 1995)

The recession practically weakened the manufacturing, tourism and sugar industries, resulting in several business closures, lay-offs and rising unemployment. The tourism industry was particularly badly hit since it was the main foreign exchange earner and employed a considerable number of persons. The recession in the industrial countries precipitated a significant reduction in tourist arrivals. This began circa 1981 and by 1982 tourist receipts had fallen by as much as 14 per cent (IMF 1983: 8). Whereas in the past Barbados' tourism development was driven by a relatively large supply of visitors from North America and Europe, by the 1980s the country was receiving heavy competition for these markets from neighbouring islands in the Eastern Caribbean (ibid). In addition to this, the sector was reported to be suffering from weak managerial skills and poor accounting practices (ibid). However, while the tourism sector was

registering a decline in visitor arrivals, wages for its employees were increased by some 46 per cent as a result of demands made by their trade unions (Government of Barbados 1985:3). Initially, most hotel operators were reluctant to lay off workers, but as several businesses 'fell further into debt service arrears, some went into receivership or closed down all together' large numbers of staff were retrenched (World Bank 1985:8).

The manufacturing sector suffered a similar, if not more deleterious fate. As with the tourism industry, this sector had boomed and expanded rapidly throughout the 1960s and into the 1970s, producing for both domestic and regional markets, mainly in Trinidad and Jamaica (Government of Barbados 1983a). In fact, Barbados' manufacturing sector was heavily dependent on regional business (ibid). However, as those countries started to experience their own economic woes they resorted to protectionist strategies by subtly erecting barriers to imports from neighbouring islands (IMF 1985: 3). Local manufacturers were unable to cope with this falloff, and their unfamiliarity with extra-regional markets made them reluctant to venture into lesser-known countries. In the end, this period witnessed the closure of several manufacturing plants making small to medium electronics as well as clothing and textiles, and contributed to a surge in unemployment, particularly among women.

Likewise, the sugar industry was not shielded from these financial misfortunes. In 1982, the industry recorded its lowest output in a decade, producing only 89,000 tonnes in stark contrast to its production in 1981, when just over 135,000 tonnes were produced (Government of Barbados 1983a: 6). Several factors contributed to this decline, chief among which were: the reduced hectares reaped because of illegal cane fires that destroyed approximately 27 per cent of the crop; fluctuations in the international price of sugar; unreliable and inadequate local labour; and

unseasonal heavy rains which meant that a significant portion of the canes remained unharvested at the end of the crop season (Government of Barbados 1983a: 7).

To add to the country's economic difficulties, unemployment rose steadily throughout this period. Starting at 10.8 per cent of the workforce in 1981, it rose to 13.6 per cent in 1982. By 1983, Barbados had an unemployment rate of 15 per cent, following a two per cent increase in 1984 placing the rate at 17 per cent. In 1985 the Central Bank of Barbados reported that unemployment had risen to 18 per cent, but fell slightly in 1988 to 17.4 per cent. It declined further to 15.3 per cent in 1989 (Central Bank 1988). Within these figures, women and youth of working age were mostly affected, as the manufacturing and tourism sectors were dominated by young female labour. Table 6.2 below presents the unemployment figures for this period.

<b>Table 6.2 Barbados Unemployment Rates 1982-1989</b>			
Year	Percentage	Year	Percentage
1982	13.6	1986	17.7
1983	15	1987	17.9
1984	17.1	1988	17.4
1985	18.7	1989	15.3

Source: Government of Barbados (1980-1989) Barbados Economic Report, Bridgetown, Ministry of Finance and Planning.

This situation was exacerbated by a 14.5 per cent increase in consumer prices, to which the trade unions responded by agitating for increased wages, inclusive of an across-the-board cost of living allowance (COLA) for workers and compensatory severance packages for those persons who were laid off as a result of business closures or downsizing (Central Bank 1988; IMF 1985). In spite of the country's economic downturn, the unions throughout this period were able to



successfully negotiate wage increases, but not at previous rates. Whereas in 1980 public sector employees received a wage increase of 30-35 per cent for two years, by 1982 they were only able to successfully negotiate 14 -20 per cent for similar contracts (IMF 1983: 18). However, these salary increases could not be sustained, as the reality of the dire straits the country was facing sunk in. So, in 1983, civil servants grudgingly settled for a modest wage increase of 2.5 per cent across-the-board (ibid: 2). The wage increases that public sector employees received during this period are outlined in table 6.3 and they show that when compared to the increases received in the 1970s what was offered to them in the 1980s was significantly less thus highlighting the dire economic situation.

<b>Table 6.3 Wage Increases and Inflation in Barbados 1972 -1989</b>					
Year	Wages	Inflation	Year	Wages	Inflation
1972	25% - 10%	11.9%	1981		14.6%
1973	30%- 20%	16.9%	1982		10.3%
1974	5%	38.9%	1983	2.5%	5.2%
1975	5%	20.3%	1984	15%	4.7%
1976	35% -12%	5%	1985	5%	3.9%
1977	15% -7.5%	8.3%	1986	9%- 1.4%	1.3%
1978	20%-10%	9.5%	1987	2%	3.3%
1979		13.2%	1988		4.8%
1980	38.3%-22.5%	14.4%	1989	8% -5%	6.2%

Source: Government of Barbados (1978-1989) Barbados Economic Report, Bridgetown, Ministry of Finance and Planning.

Prior to this though, on October 1st, 1982, to cope with these challenges, the government 'adopted a stabilisation programme of monetary and fiscal restraint which was supported by an International Monetary Fund stand-by arrangement' (IMF 1985: I) for a 20 month period 'in the amount of SDR<sup>6</sup> 31.875 million' (IMF 1985: 1). Barbados' stabilisation programme in 1982

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<sup>6</sup> Special Drawing Rights - According to the IMF, 'the SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves. Its value is based on a basket of four key international currencies ( the Euro, the Japanese Yen, the Pound Sterling and the U.S. dollar) and SDRs can be exchanged for

largely reflected strong elements of neoliberal policies as the Fund directed that a programme of fiscal restraint be followed, which largely rested on containing public expenditure, particularly the wage bill. This was to be achieved through the retrenchment of civil servants from the central government, salary freezes, and dismissals from para-statal and statutory bodies, such as state-owned enterprises (IMF 1983). User fees for public services and increased taxation were introduced as well (ibid). The programme also focused on improving the country's manpower skills to aid in the expansion of the manufacturing sector.

Retrenchment policies are highly favoured by neoliberal proponents who argue that subsidies do not encourage productivity, because they remove incentives and in any case lead to inflationary pressures. It has been argued that governments in developing countries spend large amounts of money on 'subsidies, salaries, welfare payments and grants' (Rapley 1996:762) that have little productive value. The premise here is to increase profitability and productivity, with the belief that these in turn enhance efficiency. At first glance, these cuts in government spending could provide quick-fix measures to control economic problems such as inflation and macroeconomic instability. But, the counter to this argument suggests drastic cuts severely hamper the development of key areas of the productive sectors (Ali 2003: 189), by removing the resources needed for investment in, for example, human capital, infrastructure and technological research (Mkandawire and Soludo 2003:4).

In order to achieve their long-term goals of sustainability, advocates of the social democratic welfare state have reasoned that developing countries need to invest in their people's skills and industries through sustained or increased social expenditure on education at all levels. This,

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freely usable currencies' (IMF, 2014) URL: <http://www.imf.org/external/np/exr/facts/sdr.htm>

however, runs contrary to what neoliberal institutions such as the IMF and the World Bank have promoted and advised governments to do through their loan conditions and technical assistance. Instead, while these institutions argue for investment in these areas they believe that these should be driven by the market or subjected to market criteria.

Nonetheless, in urgent need of financial assistance many developing countries have reluctantly agreed to these measures. In Barbados' case, the International Monetary Fund's programme strategy was purportedly geared towards strengthening the country's 'external position and improving the prospects for both growth and employment' (IMF 1985:1). It was assumed that these could only be achieved through 'prudent fiscal policy, as well as by measures to strengthen the country's competitiveness and the performance of the export sectors' (ibid). Both the World Bank and the IMF advised that wage restraint was a crucial factor in restoring the country's international competitive edge.

Under the advice of both the IMF and the World Bank, the government introduced strict fiscal policies to address the situation. This was also realised through an increase in taxes on 'water rates, postal services, land taxes, gasoline, diesel, taxi licences and bus fares' (IMF 1981:7). These fiscal measures were intended to offset the effects of the country's economic crisis and to stem the decline in public finances. In addition to these measures, all public sector agencies and departments were advised to halt the commencement of any new capital work projects and to identify those projects that could be postponed or 'whose implementation could be staggered' (IMF 1981: 8).

Additional cuts were made to major road works and construction programmes (IMF 1983). This was a major blow to the construction sector, especially private contractors who are heavily

dependent on public sector investment supported by capital projects, which included the Bridgetown Sewerage System, the Samuel Jackman Prescod Polytechnic, the Heywood Hotel Village, the Spring Garden Highway and the National Housing Corporation project (Government of Barbados 1983:4). Needless to say, reductions in this sector contributed greatly to the growing rate of unemployment and caused a ripple effect throughout the economy.

The IMF and the World Bank linked the decline in the government's balance of payments to its expansionary wage practices and relaxed fiscal policies, and they, therefore, advised that a policy of wage restraint was a crucial factor in restoring the country's economic health and its international competitive edge (World Bank 1985: 11; IMF 1981:3). Generous wage settlements were perceived as placing additional burden on the public finances. By its own admission, the state had acknowledged previously that apart from the global recession and other external issues, domestic factors such as large wage settlements were partially responsible for the increase in the cost of living and the country's deteriorating finances (Government of Barbados 1979: 10). These wage increases were attributed largely to the militancy of the unions. The IMF noted that the government appeared quite unwilling to create new tensions with the unions and therefore gave into their demands for wage increases (IMF 1985:10). The government's fiscal permissiveness was also linked, to some extent, to the election cycle, where generous wage increases were given in the general election years of 1981 and 1986 (Barbados Estimates of Expenditure 1982 and 1987).

As the crisis deepened, the government, still under the guidance of the Fund introduced additional policy measures in 1983 to improve the economy's performance. The new policies included 'a 1 per cent increase in the health levy; a 1 per cent increase in the stamp duty on imports; increased consumption duties on cigarettes, gasoline and soft drinks; a tax on the

purchase of airline tickets and an increase in departure taxes' (IMF 1983: 12). These policy measures were accompanied by strict controls introduced on overtime and travelling allowances (ibid). The government also took the decision to further reduce its fiscal deficit and expenditure by trimming the number of casual workers in the public sector (IMF 1983: 13). Study leave for public servants to attend government tertiary institutions was also suspended, including study leave for teachers to attend the Erdiston Teachers' Training College. The impact of this is examined in greater detail in section 6.2.

Despite these policy adjustments, the IMF was suggesting even greater cutbacks, which they claimed were a prerequisite to realising real fiscal improvement. The Fund requested additional savings by limiting wages and salaries, particularly the suspension of a system under which substitute teachers were hired to cover the vacations of permanent teachers (IMF 1984: 13).

As it relates to the productive sectors, the government through the stabilisation programme sought to revise its tourism strategy to target higher income tourists. Previously, it was assumed that reduced hotel rates and services would attract more visitors to the island, but this strategy proved inaccurate and ineffective (IMF 1984: 15). The sector also received assistance from the government in the form of 'duty-free imports on taxis, and material and equipment for hotel refurbishment and renovation; reduced water rates for hotels; the abolition of taxes on car rentals; rediscounting of hotel loans by the Central Bank, and the provision of more funds for tourism promotion overseas' (IMF 1985: 11).

Similarly, in response to the decline in manufacturing the state revised its plan for this sector by shifting its focus away from regional markets to a concentration on attracting multinational corporations. These firms, however, did not offer many prospects for employment generation,

since most of them were capital intensive as opposed to labour intensive operations (IMF 1985: 15). On the domestic front, an effort was made to overcome some of the challenges of local producers through the provision of training in management and marketing skills (IMF 1985: 11). It should be noted, however, that the manufacturing sector was being restructured mainly to take advantage of the Caribbean Basin Initiative; a US initiated trade programme designed to promote economic development and political stability in the region. This initiative is also discussed in greater detail below.

A noticeable feature of these reforms in the 1980s was the absence of any pressure to discontinue those subsidies offered to the manufacturing and tourism sectors and to privatise state-owned enterprises. While the general population had to bear the burden of the stabilisation programmes, the private sector remained largely protected, and, as outlined above, they received tax breaks and generous concessions. Research (Cornia and Stewart 1990; McAfee 1991) has shown that the less well-off suffered the greatest from the stabilisation and structural adjustment programmes in the 1980s, particularly as a result of an increase in food prices following the adjustment, and from reduced expenditure by the state for health care and education (ibid).

What is interesting in this situation is that while other countries were subjected to strict and severe conditionalities, Barbados' manufacturing sector and private investment were being protected. As noted earlier, Barbados' economy was being restructured to accommodate the expansion of the manufacturing sector in order to take advantage of the Caribbean Basin Initiative (CBI) (Watson 1990: 10).

It has indeed been alleged that the manufacturing sector within the Caribbean region was protected as a result of the CBI being negotiated at the same time as the stabilisation and

structural adjustment programmes (Bartilow 1997; Ames 1987). These negotiations provided the political leverage required to minimise the Fund's loan conditionalities and to reduce the effect of adjustment on the population. Throughout this period, many Caribbean leaders exploited the geopolitical interests of the United States to their advantage (Dypski, 2003: 100) and used the Cold War period to extract economic gains (ibid).

The CBI was a policy initiative which started under President Jimmy Carter and accelerated under President Ronald Reagan. In summary, it was aimed, ostensibly, at opening up the American market to Caribbean manufacturers through the provision of 'one-way duty free exports to the United States' (Griffith 1990:33). However, those countries whose governments were communist oriented or appeared to be 'controlled by international communism (that is, the Soviet Union)' (Dypski 2003: 102) were prohibited from participating in the Caribbean Basin Initiative.

The CBI was engineered to entice Caribbean governments away from socialist influences (mainly Cuba) in the region. Distracted by the Vietnam War, the United States (US) military presence in the Caribbean declined between 1973 -1979 (Phillips 1990:74). With the exception of Cuba, the Caribbean did not present itself as a threat to US interests (ibid). But, after an increase in attempted left wing military coups in the Caribbean, US attention returned to the region. Between January 1979 and December 1981, the political temperature outside of general elections, in many of the smaller islands was rising, and a number of Caribbean governments faced the spectre of sporadic unrest from left wing opposition parties. Starting in January 1979, there was the threat of a coup in Dominica, followed in March 1979 by a coup in Grenada which successfully installed a Marxist government. Again in May 1979 there was the threat of a coup in Antigua followed by two alleged uprisings in Dominica and another in 1981 (Phillips 1990).

In most of these occurrences the Government of Barbados, backed by the US, was in the forefront of operations to provide defence support for the countries affected, along with joint coast guard patrols with other regional governments (Phillips 1990: 79). Following these events, Barbados and the countries of the Eastern Caribbean, excluding socialist Grenada, signed a memorandum of understanding for the formation of a Regional Security System (RSS) with Barbados as its headquarters. The RSS was mainly financed and outfitted by the US government, with Canada and Britain providing some technical and military hardware assistance. Barbados has always been the defence command centre for the Eastern Caribbean, and took the lead in these affairs with logistical, technical and military support from the US State Department and its armed forces (ibid). To some extent, it could be safely said that Barbados, therefore, played a pivotal role in securing the political stability of the region.

The growth of left wing opposition groups in the Caribbean was troubling to President Reagan who considered the Caribbean and Central America as America's third border (Dypski 2003: 101). Reagan viewed any political and social instability in the region as a threat to US national security and its foreign interests (ibid: 99). His concerns were reported to be expressed at a Caribbean Heads of Government Summit where he declared: "all of us are concerned with the overturn of Westminster parliamentary democracy in Grenada. That county now bears the Soviet and Cuban trademark which means that it will attempt to spread the virus among its neighbours" (Andersen 2006: 121). It was, therefore, obvious that both the CBI and the RSS were supposed to woo Caribbean governments away from any other socialist experiments. In point of fact, they were used to counter and contain any further political threats to America's interest in the region and with that interest came the promise of financial assistance. They (the CBI and RSS) were



also used to secure and reassert US hegemony in the Caribbean and to ward off further Soviet-Cuban expansionist plans (Dypski 2003: 100).

According to Phillips (1990), during this period Barbados and Puerto Rico became 'two of the most important centres of US military activity in the Caribbean to facilitate the re-emergence of US hegemonic military power' (Phillips 1990: 73) and the US had the full support of the Barbados government. A review of the ruling Barbados Labour Party administration's 1981 manifesto supports this claim. The party noted that 'Barbados' foreign policies must include continued close relations with Britain, Canada and the United States' (BLP 1981: 30).

It was no secret that following the Cuban revolution and the disturbances in the region that development assistance to Latin America and the Caribbean increased during this period (Ames 1987: 22). This was then exploited by some regional governments who 'manipulated domestic and international forces to secure adjustment outcomes that are consistent with their respective interests' (Bartilow 1997: 11). Indeed, when Barbados was unable to provide its share of the counterpart funding for the First World Bank Education Project because of financial constraints, it was the United States government through its US Agency for International Development (USAID) that came to the rescue and provided the additional resources (former Permanent Secretary, Ministry of Education interview 2012).

Nonetheless, by financial year 1983/84 recovery was on the horizon and the Barbados economy showed moderate signs of improvement, with a decline in the overall deficit. This, according to the IMF, 'exceeded the program target (and the) continued wage restraint played a role in the abatement of domestic inflation' (IMF 1984: 9). This economic recovery was, nevertheless, perceived as unstable since the country's international reserves were only able to support one

month of imports, which in the Fund's view were 'low for Barbados' open economy' (IMF 1984: 16).

It was within these fragile economic conditions that the First World Bank Education Project was implemented and the Second World Bank Education Project loan was negotiated. While the government focused on protecting the productive sectors, the social sectors were left to the defence of trade unions. This unstable environment was in complete contrast to the 1970s when the first project was negotiated. The new uncertain climate resulted in the government negotiating from a position of weakness, where there was very little room to exert its interests and to effectively fulfil its political mandate.

## **6.2 Pressure from Above: Education Planning in Turbulent Times**

It has been observed that the activities of international financial institutions, like the World Bank, have been 'steering social policy in a neoliberal direction' (Kuehn 2008: 57) and structural adjustment programmes gave the Bank the edge it needed to assert its policy dominance and influence over the education sector in developing countries (Jones 1992: 141). Barbados was no exception to this policy. Through the provision of financial aid and adjustment loans the Bank had been able to reform these countries' education sectors along neoliberal lines (Weiner 2008: 256). Its education investment programmes complemented its structural adjustment programmes. The developing world's education sectors, therefore, became a prime target for neoliberal proponents since this sector received a significant part of their governments' expenditure. The majority of this spending went towards salaries, and most structural adjustment programmes required a reduction in public deficits by cutting the governments' wage bills (Carnoy 1992: 2). It has been argued that through stabilisation and structural adjustment programme lending, the

World Bank was able to exert a policy influence 'far greater and more intense than is possible through free-standing projects' (Jones 1992: 141).

These policies came at the worst time for developing countries since the world economy required more not less investment in education, especially at the secondary and postsecondary levels, to cope with the constant changes in the global economy (ILO 1996:3). The International Labour Organisation (ILO) considered the adjustment policies promoted by the Bank and the Fund to be harmful to developing countries' human capital given that 'an improvement in labour force skills was vital as new goods, services and production processes are needed to compete and stimulate growth' (ibid: 5).

While acknowledging that World Bank's policies have at times had a negative effect on the social sectors, Jones (1992) reminds us that 'the World Bank first and foremost is a bank and requires analysis as such' (Jones 1992: xiv). Of its two primary functions of banking and development assistance 'the former shapes the latter' and a country's 'education sector could not remain innocent of the Bank's overall responses to the twin crises of debt and recession' (Jones 1992: 243). While Jones' perspective is understandable, the Bank still cannot divorce itself from its responsibility to acknowledge the impact of its policy prescriptions simply because its fundamental purpose is to provide financing. It has also established itself as a development and technical advisor, and for this it must be held accountable.

With neoliberalism asserting itself as the dominant economic paradigm in the 1980s the World Bank's education policy shifted, and nowhere was this more noticeable than in its 1980 Education Sector Policy Paper. Here the Bank's education investment programme complemented its structural adjustment programme. In the Education Sector Policy Paper, the Bank announced

that for middle-income countries (like Barbados), 'emphasis would be placed on development for increasing sophisticated economies, improvement of the quality and equity of first level education, and the development of secondary or higher levels of education' (World Bank 1980: 11). The paper noted that 'internal efficiency will be stressed in lending to all countries, and measures to improve it will be required for support of further efforts to expand the system' (ibid). It was further emphasised that efficiency would be improved by increasing the use of staff by 'raising the teaching load and ratio of student to staff, and by eliminating unnecessary diversity or duplication of courses' (World Bank 1980: 72).

These new developments and policy shifts in the direction of neoliberal considerations had strong implications for the implementation of the First World Bank Education Project in Barbados. Through the project implementation process, several of these issues came to the fore as the government struggled to come to grips with these neoliberal efficiency measures. There was pressure to reduce education expenditure, especially on teachers' salaries; pressure to divert spending away from teachers' salaries to other learning and teaching resources such as textbooks and instructional material; and, once again, demands to increase the student to teacher ratios as a strategy to employ less teachers.

The World Bank, like the IMF, was of the view that the Government of Barbados expenditure was increasing largely because of the immoderate size of the public service and the large wage increases (World Bank 1978; 1990; 1991). According to the World Bank, 'because such a large proportion of the Government's budget was spent on education, it was important to improve the cost-effectiveness of formal education' (World Bank 1991: 1).

The continued growth of the public sector, especially in the teaching service, was of great concern to these funding agencies. This was so because not only did 20 per cent of Barbados' recurrent expenditure go to the education sector, but 85 per cent of that was allocated to teachers' salaries (World Bank 1990). Details of the government's expenditure on this sector can be found at appendix 1 which highlights the various areas where funds were allocated in the education budget and the amounts that were approved. For the Bank's part, this huge sum would have been justified if the returns on such a large investment were evident. But instead, the data showed that the failure rate for the Common Entrance Examination (11+) in primary schools was 30 per cent and 50 per cent in the secondary schools for the school leaving examinations (O'levels and A'levels).

On this matter, policymakers were in agreement with the international financial institutions, apportioning blame squarely on the shoulders of teachers for poor student performance, particularly at the secondary level. Commenting on this matter a former senior official suggested that one of the main reasons for these failures was the teachers unions' aversion to having their members continually assessed and evaluated (former Permanent Secretary, Ministry of Education interview 2012). It was felt that with evaluation the quality of teaching would be improved, thereby having a positive effect on overall student performance and the examination results' (ibid). Prime Minister Tom Adams also subscribed to this view, and he openly labelled the quality of teaching within the service as being below par (Barbados Advocate October 2<sup>nd</sup>, 1982).

Of course, this anti-teacher rhetoric affected the teachers' morale, especially when they were publicly discredited by politicians and perceived as merely self-interested. However, these claims were not only challenged as baseless and without merit, but dismissed by their unions

(Bascia 2008: 102). Teachers have been constantly blamed for poor educational outcomes (ILO 1996); they are regarded as responsible for student failure and the decline in educational standards. Furthermore their unions were classified as obstacles to education reforms and improvement (ILO 1996: 12; Carnoy 1992: 2). Blaming teachers shifts the responsibility from the government to their unions and also undermines the public's support for teachers (Carnoy 1992: 20).

In light of this, the World Bank was advocating for a shift in expenditure away from teacher salaries to education resources and materials and the maintenance of school infrastructure. Its officials noted, nonetheless, that there was reluctance on the part of the government to confront the situation because of the militancy of the Barbados Union of Teachers. They posited the view that 'there is a serious political difficulty in improving efficiency because of the interest of the Barbados Union of Teachers' (World Bank 1991: 12). The union was also accused of deliberately trying to increase its membership by demanding the 'creation of senior teaching positions with partial teaching loads, the reduction of the number of teaching hours per day for all teachers (and the) introduction of remedial classes' (ibid).

Barbados teachers' unions were perceived as prohibiting efficiency and the reallocation of education financing to other areas of the school (World Bank 1986: 12). This was clearly highlighted by the Bank's education sector staff in their loan proposal for Barbados' First World Bank Education Project. In that document, which was submitted to the Bank's executive directors, it was claimed that 'the major risk (to the project) is that there may initially be considerable resistance by teachers' unions and parents to Government targets for an economic class size and teacher-student ratios' (World Bank 1978:14).

Unions are often portrayed as anti-growth, anti-development and as irrelevant outdated institutions from a previous era (Weiner 2008:252). They are said by their critics to be largely responsible for influencing the government's spending priorities (ibid). By weakening the teachers' unions, unpopular education reforms could become more probable (Carnoy 1992: 21). Weiner (2008) asserts the view that the union's institutional power and collective voice are perceived by neoliberals as a 'threat to the neoliberal project' (Weiner 2008: 252). This collective action often contradicts the neoliberal principles of individualism, individual achievement, performance and competitive success (ibid).

Another area of ongoing contention between the World Bank and the teachers' unions was the Bank's insistence on larger class sizes, despite the unions' resistance to this policy from when the project was first designed in the 1970s. Bank officials continued to stress that with the Barbados education system, 'the main problem was the comparatively small size of classes and uneconomical teacher to student ratios' (World Bank 1981:1). From their perspective, an increase in the student to teacher ratios, through larger class sizes, would reduce the government's recurrent expenditure on this sector by BDS\$10 million annually (ibid). As demonstrated in table 6.4 Barbados' student to teacher ratios were below the 1:30 ratio of middle-income countries. It reveals that over the period 1979 - 1989 the student to teacher ratio declined from 1:24 to 1:18 in primary schools and from 1:21 to 1:18 in the secondary schools.

<b>Table 6.4 Barbados Teacher to Student Ratios 1979-1989</b>											
Year	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Primary Schools	1:24	1:23	1:22	1:23	1:23	1:22	1:20	1:20	1:19	1:18	1:18
Secondary Schools	1:21	1:20	1:19	1:19	1:19	1:19	1:20	1:18	1:18	1:18	1:18

Source: World Bank Project Performance Audit Report, 1991

Faced with what they perceived as continuous threats and attacks on their professionalism, the teachers' unions used their strength to openly challenge both the World Bank and the Government of Barbados. This was evidenced from the emergence of a hitherto unseen type of militancy and a wave of well-supported industrial action (see below) that served to strengthen their hands and provide impetus to their cause. As a result, with a sympathetic public on their side, they were able to successfully oppose IMF proposals by maintaining their original class sizes (although some classes sizes further decreased), increasing the size of the teaching service and obtaining wage increases despite objections from the IMF and the World Bank. In the next section these issues are analysed in greater detail.

### **6.3 Labour Fights Back: Sustaining the Model from Below**

Teachers mediated with some considerable success the effects of neoliberalism on the education system and their unions are credited with successfully stalling the expansion of neoliberal impositions on some aspects of the said system. This struggle, nonetheless, remained an ongoing one well into the 1980s and in the early 1990s. Teachers and their unions have constantly fought for better and improved working conditions and funding for public education (Hypolito 2008: 150). Their discontent, giving expression to strongly held positions via a range of actions, manifestly demonstrate their social and political power. Globally, these have included marches, sit-ins, work-to-rule, strikes and demonstrations (ibid). In the case of Barbados, the unions have expressed their strength mainly through strike action and mass absenteeism through sick leave applications, when negotiations with the government have failed. Teachers rely on their unions to protect and secure their interests, and in countries like Barbados, where budgets are allocated centrally, teachers do not have control over their work environment (class size, classroom



conditions/ maintenance, school buildings, teaching supplies) so they rely on their unions to address these concerns on their behalf.

Through their collective action unions have established themselves as a principle force in countering neoliberal hegemony. For this very reason, Weiner (2008) upholds the view that,

‘schools remain essential sites of resistance to neoliberalism. Struggles to protect public education are crucial in holding the democratic state to account. Teachers and teachers’ unions have a key strategic role to play in organising alliances that can push back the neoliberal offensive and win for children of the world the futures they deserve’ (ibid: 264).

These struggles were very evident while the First World Bank Education Project was being implemented and when the Second World Bank Education Project was being negotiated.

Throughout the period 1980-1989, the teaching service was in a heightened state of industrial action as their unions actively fought against these dictates. The policy measures of increasing class sizes, freezing teacher salaries and reducing the size of the teaching service were strongly opposed and resisted by both the Barbados Union of Teachers (BUT) and the Barbados Secondary Teachers’ Union (BSTU) on the grounds that they threatened to encroach on their professional rights.

In response to this threat and the growing economic challenges which reduced their real wages through an increase in the cost of living, the unions demanded greater security of tenure and increased wages (BUT 1986). Teachers were particularly concerned that the stabilisation programme began to bear down on their ability to function with the reduced resources available to schools (former Senior Education Officer, Education Project Investment Unit, Ministry of

Education interview 2012). They also felt as though they were being held responsible for the country's economic downturn, especially as it related to the World Bank-driven teacher assessment and evaluation (BUT 1986). Many opined that they were even being blamed in some ways for the absence of skilled labour in the country.

At the start of the recession, the Barbados Union of Teachers (BUT) and the Barbados Secondary Teachers Union (BSTU) were concerned about the increased demands being placed on teachers, through an expansion and revision of the primary and secondary school curricula, to include remedial and reception classes in the former and technical and vocational courses in the latter (former General Secretary, Barbados Union of Teachers interview 2012; BUT 1983). These changes, however, were not accompanied by any form of upward salary adjustment to compensate teachers. Instead, they were being pressured by the government to increase the teacher to student ratios. The then President of the BUT defended the country's student to teacher ratios positing the view that instead of a reduced number of teachers there was actually a need to expand the teaching service to include teaching aides (former President, Barbados Union of Teachers interview 2012). He further suggested that primary school teachers, like their secondary school counterparts, should be accorded non-teaching periods to carry out their administrative duties (*ibid*), declaring that the union would 'fight the ratio of 30 or 35 pupils per teacher' (BUT 1984:4). World Bank analysts, nonetheless, reiterated their earlier argument (see previous chapter) on the student to teacher ratios, claiming that small class sizes are not cost effective but are rather expensive and inefficient (Lockhead and Verspoor *et al* cited in ILO 1996: 26).

Unmoved by the Bank's viewpoint, the BUT further stressed that this new policy was rejected by its rank and file on the grounds that healthy teacher to student ratios must be maintained, not only to ensure the professional wellbeing of its members but 'to give students the best possible

chances of development, they had to have a school situation that was as favourable as possible' (BUT 1984:4). A former president of the Barbados Secondary Teachers Union also advanced the argument that 'the moment one introduces subject options, then automatically there is a need for more teachers' (former President, Barbados Secondary Teachers' Union and senior teacher interview 2012). These views have been largely supported by research conducted by the International Labour Organisation (ILO 1996). According to the ILO, an increase in class sizes would indeed stifle the introduction of new classroom pedagogical approaches because they 'restrict teachers' ability to implement new curricular strategies and educate children in a manner congruent with the new demands of world economies and citizenship' (ILO 1996: 98).

The teachers' unions perceived the student to teacher ratios as a foreign intrusion. They further reiterated the need to protect their members since the 'World Bank has no interest, let alone obligation, in looking after the health or welfare of any teacher' (former President, Barbados Secondary Teachers' Union and senior teacher interview 2012). They were also of the belief, according to a former executive member of the Barbados Union of Teachers, that, 'what the institutions were asking us to do would be to lower educational standards in Barbados' (former General Secretary, Barbados Union of Teachers and Parliamentary Secretary interview 2012).

The government attempted to circumvent any conflict with the teachers' unions on the issue of student to teacher ratios by employing the strategy of re-assigning fewer temporary teachers at the start of each school year. When the union became aware of this it was met with a great deal of opposition as the BUT reminded the government that these teachers were needed to replace or relieve those permanent teachers who were undertaking a fulltime programme at the Erdiston Teachers Training College or who were on a term's sabbatical leave (BUT 1985). Teachers in Barbados are entitled to a term's leave after the first 15 years of service, and thereafter every five

years (Barbados House of Assembly March 22<sup>nd</sup>, 1982). This often meant that during these periods the government had to employ temporary teachers to fill the void. So, while the government could claim that no teachers were sent home, no substitutes were hired either, which meant that class sizes would have increased in any case.

Besides, what fuelled the unions' anger was the unilateral decision to suspend study leave to teachers attending public tertiary institutions in 1983, including the Erdiston Teachers Training College (BUT 1983). Since the political clout and influence of the unions often prevented the governments from cutting teachers' wages, other expenses such as maintenance budgets and allowances were cut (Weiner 2008: 255). In the case of Barbados, this took the form of suspending study leave. The government's actions with regard to study leave were perceived as hypocritical since, at the same time teachers were being asked to upgrade their skills and were being blamed for the absence of the manpower skills required by the labour force to attract foreign investment, it seemed as if the government was frustrating their efforts to acquire these skills. The cancellation of study leave, therefore, meant that teachers had to either resign or take no-pay leave (that is, leave to pursue studies which was granted with no pay) from the public service while pursuing higher education (BUT 1986:2). To add insult to injury, the World Bank in one of its education reports upheld this action by the Government of Barbados, noting that the suspension of study leave was a classic example of one of the ways in which user fees could be introduced to the education system (World Bank 1986: 38). It was suggested that the surplus received from user charges could be reinvested to buy much needed school supplies, provide additional school places and improve the overall quality of the primary education provided (ibid: 19).

As the economic crisis began to bear down on the public and the cost of living continued to rise in 1983, the BUT agitated for a relatively high wage increase to compensate for the falloff in the living standards of its members. It demanded a 35 per cent increase for those teachers at the bottom of the salary scale as compared to the 40 per cent requested in 1981, and 17.9 per cent increase for teachers at the top of the salary scale (BUT 1983). Prime Minister Tom Adams in response to the unions' demands offered a counter proposal of 5 per cent across the board for two years. This was considered too low by the union and was subsequently rejected outright (BUT 1984).

The BUT also felt threatened by the austerity measures and what it recognised as 'unambiguous pronouncements and mixed signals about the alleged need to shift the priority of government spending away from education and towards the productive sectors' (BUT 1984: 4). According to the BUT, this was 'a very dangerous and serious suggestion since almost all of the money spent on education goes towards teachers' salaries' (ibid). It also accused the government of making education 'more costly to parents than it had been in the past, by charging various fees for services that used to be free of such impost' (BUT 1984:4). The austerity policies also impacted on the teachers' performances and their morale. For a start, the fiscal austerity that was brought to bear on the wider society was already having a deleterious effect on the teacher's general welfare; and these veil threats and open hostility compounded matters and further undermined their self-confidence. The result was an erosion of the quality of their work (Robertson 2008: 20).

The ILO (1996) warns against creating an environment for teachers which is not conducive to work. Their concern is that teachers will be de-motivated, feel resentful or have to find additional forms of work to supplement their incomes, and that this may have a disastrous effect on national

development given that these concerns impact on the quality of instruction offered to students. It further reasons that 'because teachers continue to work largely unsupervised, behind the closed doors of classrooms, if nations hope to increase the cognitive skills of the young population through schooling, they will have to rely on autonomous, motivated and skilled professional teachers trained in public institutions to do so' (ILO 1996: 12). What is more, research has shown that there is a correlation between reduced government expenditure in an attempt to address the balance of payments problems and a decline in the quality of education (Carnoy 1992: 28).

Nevertheless, in the midst of its conflict with the government, the BUT sought to build consensus with other public service employees by joining forces with the National Union of Public Workers (NUPW), the largest public sector union, to pressure the government for a higher wage increase. This increased pressure prompted the government to put forward a slightly higher offer of '7.5 per cent across the board for 1984 -85, and 5 per cent in 1985-86' (BUT 1984). This too was rejected by the BUT on the grounds that it was 'far below the limit of reasonableness' (ibid). Refusing to be intimidated by the unions the government took the decision, after being in a negotiation deadlock, to legislate public servants' salaries (Barbados House of Assembly March 14<sup>th</sup>, 1983). This action once more infuriated the BUT who responded by threatening island-wide industrial action on the same day of the Common Entrance Examination in 1984 (BUT 1985).

The militancy of the teachers' unions registered several victories throughout this period. Previously, Prime Minister Tom Adams, in 1982 had publicly stated that 'teachers' salaries were large enough and they could hold-strain for another year or two until the economy improves' (Barbados House of Assembly, October 1<sup>st</sup>, 1982). However, by 1984, facing a more combative

trade union movement and fearing expanded industrial action from the unions, as well as from some sympathetic pressure groups, the Prime Minister, against the advice of the IMF and the World Bank, announced a 15 per cent salary increase across the board for all public sector employees, including teachers, for the first year, and 5 per cent for the second year (BUT 1984; IMF 1985:4).

This was one of several victories registered by the unions. Within 12 months, and for the financial year 1984/1985, they were able to secure non-teaching periods for primary school teachers and 'an increase in the establishment of the teaching service' (BUT 1986: 2). These were two key issues that they had relentlessly and forcefully agitated for over the years. The non-contact periods provided teachers with the opportunity to prepare for pending classes and attend to various administrative duties since casual workers and temporary staffs, who were previously assigned to schools, had been retrenched during the stabilisation period. The absence or reduction in ancillary and administrative staff meant that, during the fiscal austerity, teacher's duties had increased (ILO 1996:58). In the same way, in April 1986, the government made a volte-face and re-introduced study leave for all public service employees, prompting the unions to speculate that the imminent general elections scheduled for May 28<sup>th</sup>, 1986, occasioned this change in policy (BUT 1986:2). Resistance to union demands and other domestic actions usually waned in the run-up to the national vote.

Undeniably, knowledge of a looming general election has considerable potential to influence and reverse hitherto government policies, all in an attempt to win the electorate's favour. In Barbados, as obtains in the wider Caribbean and Latin America, government's fiscal generosity usually occurs just before an election period and immediately afterwards. Ames (1987) suggests that this happens for two reasons. In the first instance, governments seek to attract new

supporters while appeasing critical opponents; and in the second instance, long term party supporters must be rewarded for their support by handing out contracts, employment, salary increases or promotions (Ames 1987: 12). This, therefore, makes the election period a highly influential time which unions can exploit in order to secure benefits for their members.

The education system is one of these exploitable areas. This is an actuality that was alluded to by a senior official in the Ministry of Education during an interview. He elucidated that the education sector provides the opportunity for administrations to increase expenditure on visible capital works projects through the construction of schools (former Senior Education Officer, Education Project Implementation Unit interview 2012). Therefore the ruling administration would upgrade schools and expand them as a way to demonstrate to the electorate their contribution and commitment to the sector.

This notion is borne out by the substantial increases in Barbados' education budgets that were evident during the election periods of 1981, 1986 and 1991. The annual estimates of expenditure of 1981- 82 registered an increase in teachers' salaries and teacher training at the Erdiston Teachers' Training College (Barbados Estimates of Expenditure 1981 – 1989). Likewise, the election year 1986 observed a sharp expansion of education funding in teachers' salaries and training and training resources at the Audio Visual Aid Department (ibid). Conversely, the maintenance and supplies vote continued to receive the least amount of funding throughout the entire period. Increases in this area are only registered for the election period of 1981 and 1986, with the exception of the financial year 1987 - 1988 where an increase is noted. Appendix 1 provides details on the government's education budget during this period.



The budgetary process reflects the power and influence of the voting public within Barbadian society, even if only at election time. Issues relating to the education sector hold tremendous appeal to political parties. During an election period, the government of the day, with the marked advantage of being in charge of the public purse, often responds to the expectations of the electorate. These influential bases (both the unions and the electorate) have circuitously sustained the Barbados Government's financial commitment to the education sector.

However, these political strategies do not always have long-term lure and, more often than not, the strength of politicians' convictions is eventually lost on an introspective electorate. This seemingly deferred value judgement, therefore, rationalizes why none of these political strategies appeased the unions so that by early 1986 the unions were at the bargaining table once again demanding security of tenure and wage increases (BUT 1987). The new salary requests called for a 27.1 per cent increase at the bottom and 17 per cent at the top of the teachers' scale (ibid). According to the BUT, these proposals were influenced by the following factors: 'movements in the cost of living since 1984; the income tax structure; the performance of the economy and the projected loss of purchasing power of teachers based on the rate of price increases from April 1984 to September 1985' (BUT 1986:5).

This statement demonstrates that the unions were no longer prepared to continue restraint and tolerate the mounting financial burdens on its members. The government's counter proposal of 5 per cent at the bottom of the salary scale and between 2 and 3 per cent at the top of the scale was subsequently flatly refused (ibid).

The government's proposals further succeeded in uniting various trades unions in a common cause. In an outright rebuff of the government's offer and its policies, the BUT joined forces with

the largest trade union in Barbados, the Barbados Workers Union, and the largest public sector union, the National Union of Public Workers, and held a joint mass meeting on May 22, 1986, six days before the general elections (BUT 1986). These unions had the support of their members, and according to the BUT's annual report, 'hundreds of teachers and public workers assembled in Queens Park where they were addressed by the leaders of the respective unions' (BUT 1986:2).

Added to this situation was the fact that three executive members of the Barbados Workers Union had put themselves forward as candidates for the opposition Democratic Labour Party (DLP) to run against the ruling Barbados Labour Party (BLP) in the general elections (DLP Manifesto 1986). Opposition forces all joined in an act of solidarity in the anti-government campaign to rally utmost support from voters. Through their actions the unions also helped to sustain welfare policies by collectively exploiting the impact of fiscal austerity to take full advantage of mass voter support. The reality of such outturns often forces policymakers to rethink austerity measures, or to be more pragmatic and judicious in their application, or simply implement less stringent ones (Pierson 1996: 150).

#### **6.4 The Outcomes of the First World Bank Education Project and the Negotiation of the Second World Bank Education Project**

The first World Bank education sector loan project, which was approved in December 1978 for an estimated US \$14.8 million, finally closed in September 1985, while a second one was being negotiated. They were both designed and implemented during a period of continuous resistance to the application of neoliberal principles to the education system. The main thrust of the first project was to promote greater cost-effective measures in the system by rationalising the student

to teacher ratios in both the primary and secondary schools, and by constructing bigger schools which could accommodate larger class sizes. The desired end result was greater efficiency and optimisation of the teaching and learning milieu.

An assessment of the successful implementation of the First World Bank Education Project differed greatly on the perspective presented by the government and the World Bank officials. Its success is therefore dependent on which entity is asked. On the borrower's side, the technocrats in the Ministry of Education were adamant that the project which they presented to the Bank was of their making and that they got what they always wanted: additional primary and secondary school places. On the Bank's side, the project received mixed reviews. At its close, the Bank's project completion report noted that 'with the exception of teacher to student ratio goals and the associated improvements in recurrent costs, project objectives were largely met' (World Bank PCR 1990: 4). In addition to this, it also claimed that 'the project has had a positive effect on sectoral growth and policy attainment and on manpower, employment and industrial development' (ibid). Besides, Barbados benefited from having a cadre of well trained teachers. Some manpower needs in the manufacturing sector were also addressed through the upgrading of the science and technical practice rooms in the fifth and sixth forms of secondary schools.

Despite these achievements, the World Bank remained very critical of the government's failure to address the student to teacher ratios, which instead of increasing or remaining the same, actually fell (World Bank 1990). Refusal to implement this cost-effective measure resulted in the education system being more costly at the end of the 1980s than when the project commenced in 1978 (ibid). Reduced student to teacher ratios were attributed to two reasons: a fall in the school enrolment rate which was not anticipated by members of the Bank or the government. This led to a further decline in the staff to student ratios in most of the schools (World Bank 1990). The

second reason stemmed from the government's inability to maintain its hiring freeze in the teaching service. Alternatively, the number of new teachers rose by 21 per cent in the primary schools and by 8 per cent in the secondary schools (World Bank 1991).

In spite of the Bank's demands, many adjusting countries, even those that were intensely adjusting, refused to comply with these loan conditions and instead further reduced their pupil to teacher ratios and hired more teachers (ILO 1996). The ILO (1996) believed that this defiance came down to ideological principles. Those countries committed to expanding education continued to do so irrespective of the Banks' demands.

The increase in the size of the teaching profession was also perceived as a strategy used by the Government of Barbados to provide employment opportunities for young qualified school leavers. The World Bank claimed that a deliberate management decision was made 'to provide young teachers with employment because of limited job openings during the 1980s' (World Bank 1991: 9). This claim was not denied by policymakers either. A former senior education official who worked on the project sought to justify the government's position by agreeing that 'the government has to find jobs for people coming out of the school system' (former Senior Education Officer, Education Project Implementation Unit, Ministry of Education). He further remarked that 'you did not have enough of the other areas in the economy to absorb them, so you couldn't have persons graduating from the university, the Barbados Community College and Erdiston Teachers' Training College being trained and qualified but with no employment prospects' (ibid).

Similar views were echoed by a former Permanent Secretary who observed that, 'you cannot divorce political interests from what happens especially in a small society like Barbados. You

cannot tell the government to educate the people, put people out there with a 98 per cent literacy rate and have nothing for them to do' (former Permanent Secretary, Ministry of Education interview 2012). The social and parochial nature of politics in Small Island Developing States like Barbados, coupled with the reality of kith and kin and community ties often aid in influencing government decisions. Having noted that, however, it must be explained that, on an island of a mere 166 square miles and with a population of just over a quarter million, it is virtually impossible to avoid the electorate's wrath from unpopular policies or actions, even if in the name of political expediency.

Not deterred by these outcomes, World Bank officials remained determined to correct what they perceived as structural inefficiencies in Barbados' education system. These inadequacies were to be corrected through the Second World Bank Education Project which aimed to:

improve the quality and cost effectiveness of primary and secondary education (through further amalgamation of primary schools, upgrading the existing secondary schools and establishing a new one; and training about 1500 teachers); improve the efficiency, quality, and industrial relevance of technical and vocational training; and strengthening the institutional capacity to manage and plan the education and training system (World Bank 1986: ii).

This second project was co-financed by the Inter-American Development Bank, which provided 49 per cent of the funds (World Bank 1986), although the Bank more or less took the lead in coordinating and managing the project. It should be noted that of the two project risks highlighted, containing the size of the teaching service was the first. According to the Bank, some of the abovementioned project aims might not be met 'unless the government maintains a

freeze on the hiring of new teachers in the light of the decreasing population growth rate' (World Bank 1986: ii). Of the other risk, it warned that 'difficulties may be encountered in meeting the incremental recurrent costs of the project' (ibid). This, of course, set the tone for new areas of conflict as the 1990s proved even more economically challenging than the decade of the 80s when both risks were evident. The full project summary can be found at appendix 2.

Nonetheless, what the implementation of the First World Bank Education Project and the negotiations of the Second World Bank Education Project have demonstrated, as it relates to the social democratic commitment to education in the 1970s and 1980s, is that it is resilient and capable of withstanding neoliberal restructuring (Pierson 1996: 143), despite claims to the contrary. The Barbados case aptly shows sources of resistance and the sustainability of its social democratic commitment to education as a public good, in spite of the odds; and especially so because its policies were backed by unionised support that stoutly resisted the imposition of neoliberal principles on its membership.

The events of the 1980s in Barbados revealed the hidden fact that, in times of severe crisis, it is the organised labour movement which helps to maintain the country's social and economic equilibrium and a shared ethos in the face of external pressures. The key factor here, however, was that labour was a militant yet well organised force, with clear objectives for its members and there was general consensus. It was not fractured, fragmented or divided. The unions demonstrated the ability to strategically organise themselves to challenge any political administration or international financial institution that they perceived as shifting away from, or significantly altering, the country's social democratic model. They acted as a counterforce to neoliberal pressure.

Added to this is the fact that Barbados only has two main political parties, both of which claim to be social democratic in character and are supported by the labour unions (BLP manifesto 1986; Duncan 1986). This works in the favour of the unions who, from time to time, strategically align themselves with the opposition party to challenge the government of the day. There is a strong correlation between the strength of the Barbados teachers' unions and the government's financial commitment to education. The Barbados Union of Teachers throughout this period undertook the role of the government's watchdog. The unions' unwavering commitment to their members and the electorate's support of their efforts, often forced the government to remain accountable to the public. The unions, in securing the interests of their members, indirectly influenced the government's commitment to the education sector.

Neither of Barbados' political parties is fiscally conservative. The Barbados electorate has historically demanded and received increased social services and social welfare amenities that, on the face of it, belie the country's capacity to provide (Lewis and Nurse 1994). They expect the provision of certain services and facilities to be subsidised and/or operated by the government, such as public transportation, water, sanitation, education and healthcare; and some welfare policies such as free education and old age pension schemes are hard to reverse. Once they have been put in place they are seen as expected and given rights (Pierson 1996: 145). While Barbados' Westminster parliamentary system, which is based on majority rule, may create the perfect environment for the government to implement modest neoliberal reforms to the system without fear of being vetoed by its opponents, the power of the electorate and various interest and pressure groups have made any such thought a difficult proposition.

The results of the general elections in May 1986 bear testament to this. It registered an above average turnout with a landslide victory for the Democratic Labour Party (Duncan 1986) and the

incumbent Barbados Labour Party was only able to retain three of its parliamentary seats (ibid). This reiterates Pierson's (1996) observation that there can be a high electoral cost attached to fiscal austerity. Politicians are punished for cutting services and the political backlash from retrenchment makes them approach economic reforms cautiously (Pierson 1996:174), especially in the area of education. We are reminded by a former Permanent Secretary that the education sector in Barbados is so sacrosanct that any administration which reduces expenditure in this sector would 'guarantee getting fired or kicked out of parliament for it' (former Permanent Secretary, Ministry of Education interview 2012).

Few Caribbean governments have reaped political spoils after implementing austerity measures, particularly those that seriously impact the education sector. And, for that matter, any government which is perceived as serving the interest of capital over labour is ousted at election time. Such is the instinctive commitment and adherence to the social democratic/welfare state model.

## **6.5 Conclusion**

It has been argued in this chapter that economic pressures can undermine a government's commitment to social democratic welfare policies. This can threaten national consensus and erode the cohesion among national stakeholders, resulting in a weakened bargaining position with IFIs. However, in the case of Barbados in the 1980s, there was still space to exercise agency. Here the Government of Barbados chose to employ the effective negotiating strategy of geopolitics and the Cold War, while the teachers' unions resorted to traditional strategies. Through an assessment of the implementation of the First World Bank Education Project and the



negotiations of the Second World Bank Education Project, this resistance to neoliberal policy prescriptions is observed.

This chapter identified the factors and forces which in the 1980s acted as a counterforce to attempts to impose neoliberal solutions on the Barbados education system. The teachers' unions emerged as the countering force once again challenging the World Bank and supporting the existence of the country's social democratic commitment to education. The other forces which helped to sustain the model and indirectly supported the teachers' efforts were the demands of the electorate for whom, after having the threat of education being reconstituted from a right to a privilege, protested against changes in this sector. In addition to this the geopolitical environment (the Cold War period) was exploited by the government to get a softer loan agreement with the International Monetary Fund.

It has been further argued that the economic recession in 1981 which led to the Government of Barbados entering a stabilisation loan agreement with the IMF, had implications for the implementation of the First World Bank Education Project and the negotiation of the Second World Bank Education Project. The stabilisation loan resulted in increased taxation on goods and services, retrenchment in the public and private sectors which resulted in high unemployment and an increase in the cost of living. While the government used the geopolitics of the Cold War to extract favourable financing for the productive sectors, particularly the manufacturing sector with the creation of the Caribbean Basin Initiative, the social services were exposed to the austere policies suggested by both the World Bank and the International Monetary Fund. Specifically in the education sector, these institutions recommended a reduction in the annual financial allocation to this sector which was to be achieved through the process of reductions in

student to teacher ratios, reducing the size of the teaching service through attrition and staff retrenchment and freezing teacher salaries.

However, the Bank's suggested reforms were met with militancy from both the BUT and the BSTU through the use of general strikes, ongoing negotiations with the government and collective resistance with other unions (the BWU and the NUPW). Their combined efforts resulted in the reversal of some of the education reforms as well as new gains for the sector. The data also revealed that the voting power of the electorate is as great a force as union militancy and this factor also contributed to the continued existence of the social democratic welfare state model in Barbados.

This chapter underscores the importance of the trade unions, in this case the teachers' unions and the power of the electorate in resisting neoliberal imposition and in sustaining the social democratic welfare state in Barbados. While the teachers' unions and the Government of Barbados were able to maintain some level of policy autonomy in the education sector and resist the pressures to accede to the demands of the World Bank and the IMF, the true test of their resilience and the sustainability of the country's welfare model came in the 1990s. Not only was national consensus challenged but the cohesion among the trade unions as well. Chapter 7 investigates these changes and the national response to them.

## **Chapter 7**

### **Sustainability through Consensus: The Resilience of Barbados' Development Model: A Review of the 1990s**

Coming out of the protests of the early 1990s we were then able to meet with the World Bank and the IMF to acquaint them with the viewpoint that we have resolutely subscribed to, even today and it is that Barbados is more than an economy it is a society. The Barbados model was built around the social partnership philosophy which simply speaks to the point that we are all involved, so we will all suffer or soar together. And, therefore, we all have to carry the same burden, value the rewards and develop a model which was different from the early prescriptions of the IMF (former President of the Barbados Union of Teachers and Minister of Education interview 2012).

Assessed through the education sector, more specifically via the World Bank education projects, the data collected and presented in previous chapters on the 1970s (Chapter 5) and the 1980s (Chapter 6) highlighted the role and importance of education to Barbadian society and identified the government, the teachers' unions and the technocrats in the Ministry of Education as the forces who helped sustain the country's social democratic development model. Nevertheless, as the case of the 1990s shows, growing economic difficulties threatened to undermine national consensus and worked to weaken social cohesion among these forces. The Barbados development model which in the past had defiantly withstood neoliberal pressure to adjust the country's exchange rate parity, scale back government intervention in the productive and social sectors, and which had its sustainability viewed suspiciously, was finally called into question in the early 1990s. As the global economy suffered another cyclical downturn, fractures and

untenable features emerged within it. The model, which throughout the 1970s and the 1980s successfully weathered efforts to fundamentally change its education system on a number of occasions, was again under imminent threat.

From an analysis of the data collected on the 1990s period which included the implementation of the Second World Bank Education Project and the negotiation of the Third World Bank Education Project loan, the reshaping of the education system in Barbados is observed. In addition to this the investigation also focused on the deterioration of the country's economic position which resulted in a third IMF stabilisation loan and the country's first structural adjustment loan.

However, what this chapter also reveals is that despite these challenges much of the social democratic model remained and its viability and efficacy can largely be attributed to the unions' confederate role. Through the formation of an umbrella body, the Coalition of Trade Unions who, although somewhat reluctantly, joined forces with the Barbados Private Sectors Agency to challenge the IMF's stringent structural adjustment measures. This group, including the militant teachers' unions, fought against the devaluation of the Barbados dollar and the retrenchment of thousands of public sector jobs. The negotiating environment was, therefore, conducive to shrewd bargaining, and so created the opportunity and gave latitude to exercise agency.

With the Cold War period over and the United States no longer viewing foreign political interests and socialist-related activities in the Caribbean region and the hemisphere as security threats, the Government of Barbados was forced to employ new forms of political leverage in its negotiations with the IMF and World Bank. Through the formation of a tripartite social partnership among the Coalition of Trade Unions (later officially referred to as the Congress of

Trade Unions and Staff Associations of Barbados (CTUSAB)), the Barbados Private Sector Agency and the Government of Barbados, a negotiating asset was created. These forces operated as a countermovement to challenge further imposition of neoliberal policies that came in the form of austerity policies and programmes in which the education sector played a significant role. Thus while the government continued to support the education sector by maintaining its high national importance measured through the sector's dominance in the overall annual budgetary allocations, the data presented below discloses the weakening effects which the austerity measures had on the education sector in contrast to the previous chapters where it was presented as a highly contested terrain.

These findings are presented below in seven sections. In section 7.1, the economic circumstances which led to an IMF crafted stabilisation and structural adjustment loan are discussed. This is undertaken to locate the investigation of the education sector in the adverse economic environment which it was part of. This is followed by section 7.2, which focuses on the actual IMF loan and its key neoliberal components. The effects which the loan conditions and the accompanying austere reforms had on the country's political and governance system are the main focus of section 7.3. This section looks at how the politics of adjustment can undermine national consensus and rattle political stability, which, more often than not, affects the public's confidence in the adjustment process and the country's leadership. Section 7.4 investigates the role ascribed to the education sector in restructuring Barbados' economy, as well as the impact which the austerity programme had on this sector; while section 7.5 provides an account of the teachers unions' response to the impact of the structural adjustment programme on the education sector, paying specific attention to the formation of the tripartite social partnership. This partnership, which included the teachers' unions, acted as a countermovement that resisted further assault by

the adjustment programme on the education sector and Barbadians' standards of living. This is followed by section 7.6 which provides an analysis of the unions' efforts and the role of the tripartite social partnership in resisting neoliberal demands and sustaining the status quo, vis-à-vis the welfare state model in Barbados. It also gives a brief overview of IFIs' relations with developing states. The chapter concludes with section 7.7 which summarizes the key issues disclosed and the main points presented.

## **7.1 The State of the Economy: Things Fall Apart**

From as early as the 1970s and into the early 1990s, Barbados had been financing its relatively good standard of living, meeting its perennial commitments and sustaining its form of development through excessive borrowing from commercial banks, friendly governments and multilateral lending agencies (Duncan 1994: 80; Barbados House of Assembly, January 30<sup>th</sup>, 1990: 4761). This borrowing was, for the most part, justified on the grounds that slow growth in the key productive sectors of agriculture, tourism and manufacturing translated into reduced revenue for the government to carry out its development programmes. As a result, both the Adams administration (1976-1985) and Sandiford administration (1986-1994) relied heavily on foreign financing, having noted that Barbados as a country was consuming and spending more than its revenue (Barbados House of Assembly, January 30<sup>th</sup>, 1990: 4760). To service these loans the government drew down heavily on its international reserves, to the point of near depletion.

This situation could not be sustained, and from as early as 1990 the problems of Barbados' economy deepened. Indeed, Prime Minister Sandiford, who also held the portfolio of Minister of Finance and Economic Affairs, during his financial statement and budgetary proposals to the

Parliament in 1990, forewarned that reduced revenue from exports and the rising demand for imports had placed unbearable strain on the country's foreign reserves and this recreated the dangerous practice of running up a deficit on the current account. He further cautioned that 'the deficit could only be made good by borrowing and by drawing upon the country's international reserves' (Barbados House of Assembly January 30<sup>th</sup>, 1990:4760). The Prime Minister noted that in order to address the island's domestic and foreign debt he had two practical options at his disposal: to improve exports while curtailing its imports, or increase foreign borrowing to prevent default (ibid). The latter was seen as an immediate but short-term solution to the problem, while concomitantly developing policies to enhance exports. Barbados' growing debt problems are reflected in table 7.1 where the increase in the country's foreign debt from 1986 - 1993 is detailed.

<b>Table 7.1 Barbados Debt as a Percentage of GDP 1986 -1993</b>								
Years	1986	1987	1988	1989	1990	1991	1992	1993
Foreign Debt as a Percentage of Export of Goods and Services)	6.3	12.2	9.1	7.9	15.4	15.6	17.8	9.6
Central Government Foreign Debt as a Percentage of GDP	24.1	28.3	29.6	26.3	28.2	—	—	25.2
Total Debt as a Percentage of GDP	49.2	51.2	52.9	50.5	54.6	57.4	62.7	70.2

Source: Government of Barbados (1986 – 1993) Barbados Economic Report, Bridgetown, Ministry of Finance.

Although initially the foreign reserves grew continuously between 1982 -1989 a decline occurred in 1990 when the world economy contracted; and the country's foreign reserves which stood at BDS\$338.8 million in 1988 had drastically halved to BDS\$165.1 million (Barbados House of Assembly, May 6<sup>th</sup>, 1990). By September 1991, they were down to 'one and a third weeks of

imports' (IMF 1992: 2). This increased debt, as mentioned before in Chapter 2, makes it difficult for governments to access international credit at favourable interest rates and conditions. Therefore the situation in Barbados had reached a critical point where the country was being continuously denied access to international funding and aid at concessional rates. This essentially forced the government to approach the commercial banking sector and borrow funds at less than favourable interest rates (Barbados House of Assembly, November 13, 1990: 6257).

Despite the sluggish economic growth, the budgetary proposals for the financial year 1990/1991, seven months before the general elections, included increased financial assistance and welfare relief to the vulnerable sections of society, namely old age pensioners, disabled persons and children whose only source of financial support came from the government's welfare department (Barbados House of Assembly, May 6<sup>th</sup>, 1990: 5371). The sum total of these concessions and increases brought the overall fiscal deficit to BDS\$170 million and it was expected that the deficit would be financed through added taxation to an already heavily taxed economy (ibid). The government saw its increasing economic and social involvement as beneficial and positive; but, nonetheless, cautioned that one of the uneventful effects of this involvement would be an increase in government expenditure (Barbados House of Assembly, May 6<sup>th</sup>, 1990). Similarly, concessions were offered to the productive sectors in an effort to bolster output. The manufacturing sector was offered very favourable concessions through the removal of import duties and consumption taxes for machinery and equipment (ibid). Concessions were also awarded to the tourism sector for the upgrading and refurbishing of hotels, with the Barbados Tourism Authority's budget being increased by BDS\$10 million to assist with marketing the sector internationally (ibid). This, like the increase in welfare assistance, affected the



government's overall deficit, since at a time when more revenue collection was needed tax concessions were being offered.

Prime Minister Sandiford was accused by his opponents of bringing a politically motivated budget which was inspired by the pending general election, instead of focusing on reducing the country's deficit (Barbados House of Assembly, May 6<sup>th</sup>, 1990). Blame was laid against the Prime Minister for eroding the country's competitiveness as it related to the productive sectors, and for giving Barbadians false-hope by perpetuating the perception that the economy was stable, despite obvious signs that it was struggling. The charge laid against the government was one of overspending at a time when prudence and budgetary restraint were necessary (Barbados House of Assembly, May 6, 1990: 5384-5393). This view was supported by the IMF which observed that 'a lax fiscal stance in the run up to general elections in January 1991 had caused a further falloff in the country's official net international reserves' (IMF 1991: 3).

Weighing in on the issue, a leading trade union leader, Robert Morris MP, admitted that Barbados' politicians were pressured by 'the deleterious five year election cycle where ... we get the feeling that we have to come up with goods and services that we cannot produce for people that we are making dependent on these things; making them feel that we can produce miracles as politicians' (Barbados House of Assembly, September 17, 1991: 1023). Research supports the view that the election cycle impacts significantly on a government's fiscal policy and often plays a key role in the failure to adopt stabilisation measures and fiscal prudence in the run up to the general elections (Nelson 1990: 24). Governments in developing countries often seek to elicit voter support through the provision of short-term material offerings (ibid: 242). In financially stable times in Barbados, this often takes the form of tax concessions, salary increases and intensified capital works projects. In the early 1990s, the capital works projects included the

provision of more school places through the construction or completion of new schools (former Senior Education Officer, Education Project Implementation Unit, Ministry of Education 2012).

Be that as it may, and in spite of the government's best efforts, the unemployment rate still rose steadily in the midst of the crisis, climbing from an already high rate of 15 per cent in 1990 to 17 per cent and 23 per cent in 1991 and 1992, respectively (Barbados House of Assembly, March 31, 1992; Ministry of Finance 1992, 1995). By 1993, the unemployment figure rose to an alarming 24.5 per cent out of a labour force totalling 122,500 persons (ibid). The rise in unemployment, therefore, placed additional pressure on the already stretched social security services, as it related to mandatory severance and unemployment payments. Table 7.2 displays the growing unemployment rates during this period and compares them with the late 1980s period. What is demonstrated here is that although the country has historically battled with high unemployment rates above 10 percent, they never exceeded 18 percent until the 1990s which emphasizes the severity of the crisis.

Table 7.2 Unemployment Rates in Barbados 1986 - 1994			
Year	Percentage	Year	Percentage
1986	17.7	1991	17
1987	17.9	1992	23
1988	17.4	1993	24.5
1989	15.3	1994	21.9
1990	15		

Source: Government of Barbados (1986-1994) Barbados Economic Report, Bridgetown, Ministry of Finance

Added to these economic woes was the impact of the Gulf War which resulted in a sharp increase in oil prices. This, of course, had a negative effect on the tourism sector as the cost of airfares, related ancillary services, fuel and utility costs also soared (IMF 1993). After registering an increase in 1989 of 461,000 tourist arrivals which generated just over US\$527 million in revenue, by 1990 arrivals dropped to 432,000 and fell further to 394,000 by 1991, bringing in only US\$460 million in revenue (Barbados House of Assembly, March 31, 1992). Visitor arrivals sharply declined by 16.9 per cent from the USA, by 20 per cent from Canada, and by 7.1 per cent from the United Kingdom – Barbados' main source markets (ibid: 1796). The tourism sector was further affected by a reduction of flights from North America resulting from the demise of Pan American Airlines and Eastern Airlines (Barbados 1993; IMF 1993).

In light of these unfortunate turn of events the Sandiford administration presented itself as overwhelmed and powerless in the midst of the global recession, referring to the country as being 'at the mercy of the international world economy', and thus leaving it vulnerable and exposed to the vicissitudes of the market place (Barbados House of Assembly, February 6, 1991: 243). With international creditors and funding agencies refusing credit to Barbados the government approached the IMF for a stabilisation and structural adjustment loan (ibid).

## **7.2 Barbados' Structural Adjustment Programme**

The discourse on the politics of economic adjustment suggests that governments often postpone inevitable stabilisation measures, which call for fiscal and monetary restraint, in order to avoid the political repercussions that could undermine a country's stability (Nelson 1990). However, despite what governments do to put off what is seen as unavoidable, most adjustment programmes have met and will meet resistance from one or all of the key stakeholders (Nelson

1984: 103 cited in Feinberg and Kallab). Barbados was no exception to this and immediately after the general elections, which returned the Democratic Labour Party (DLP) to power, the Sandiford administration announced plans to reduce the public sector's growing deficit. Prime Minister Sandiford announced in a mini-budget on September 17th, 1991, that his government was in discussions with the IMF seeking the Fund's support to finance a stabilisation and structural adjustment programme for the country (Barbados House of Assembly, September 17, 1991: 978). That budget in fact bore the harsh hallmarks of the fiscal and monetary demands of the IMF, a necessary prelude to meet the loan requirements to secure 'US\$58.1 million which included US\$29.7 million from the Fund's Compensatory and Contingency Financing Facility' (ibid).

The stabilisation and structural adjustment programme was aimed at reducing the fiscal deficit and rebuilding the foreign reserves (House of Assembly, September 17, 1991). It was also aimed, in the short term, at restoring investor confidence in the redirected macroeconomic policies the government was pursuing and in the economy. Prime Minister Sandiford explained that the deficit for that financial year which totalled BDS\$298.5 million was a result of the government's estimated expenditure being in the region of BDS\$1350.3 million, but the estimated revenue intake was only BDS\$1051.8 million thus this deficit was considered 'definitely too substantial for the government to sustain' (ibid). Convinced that there was no other alternative, he explained that the only way to manage the situation was to have the 'government's operations ... scaled back and curtailed at least for the time being, and this must be understood by one and all' (Barbados House of Assembly, September 17, 1991:975). The heart of the problem, according Sandiford, was government's growing wages and salaries bill (ibid).

On January 14th, 1992, the Prime Minister announced that the IMF's executive board had accepted Barbados' request to enter a standby agreement (Barbados House of Assembly, January 14th, 1992). The original Letter of Intent submitted to the Fund on October 28<sup>th</sup> 1991 was later amended via a supplemental letter on December 6<sup>th</sup>, 1991. It was modified to accommodate 'certain representations which were made by the trade unions and the business community' (Barbados House of Assembly, January 14th, 1992: 1460). This is an important fact to note since it highlights the continuing influential role of the trade unions at senior levels of government which continued well into the 1990s and which had an impact on the overall adjustment process.

The adjustment programme focused on fiscal and monetary restraints, with the devaluing of the Barbados dollar excluded. According to the Prime Minister Sandiford, 'the IMF mission has been persuaded that every effort should be made to construct a package that does not include devaluation' (Barbados House of Assembly, September 17 1991: 979).

Time and again, it was argued that currency devaluation would not be a helpful monetary policy initiative for the Barbados economy, which has very few exports but is heavily dependent on imports (Fashoyin 2001: 27). As a policy strategy, devaluation would impact negatively on the country's employment rate and competitiveness (ibid). Blackman (1989) saw devaluation as a hazardous policy for small open economies, especially when considering the experiences of those Caribbean countries that went the route of currency devaluation. For them, frequent devaluations did not restore growth but had the effect of destabilising the economy and society (Blackman 1989:45). Caribbean states like Jamaica, Guyana and Trinidad and Tobago devalued their currencies opting for a floating exchange rate which resulted in sharp increases in the cost of living for their citizens, especially for basic food items (McAfee 1991). However, in Barbados and the Organisation of Eastern Caribbean States (OECS) the exchange rate anchors the

economy, and this fixed rate 'provides an inflationary anchor for small economies without market power, reduces uncertainty and creates an environment conducive to investment' (Haynes 1997: 95).

Having, therefore, ruled out devaluation, Barbados' stabilisation and structural adjustment programme consisted of four components, which had strong elements of neoliberal concepts. These components included: retrenchment and cost recovery, trade liberalisation, the deregulation of the productive sectors and privatisation of some state assets. The central aim of the programme was to reduce the public deficit to 1 per cent of GDP, that is, BDS\$172.6 million, by the end of the financial year in March 1992 (Barbados House of Assembly, September 17, 1991: 983).

The retrenchment process took the form of an 11 per cent cut of the total public sector labour force, approximately 3,000 civil servants (this number included 200 temporary teachers). This was followed by an 8 per cent cut in the wages and salaries of the remaining public employees (IMF 1992: 2). According to the Fund, these policies had the effect of reducing the public sector deficit by 7.5 per cent (ibid). Likewise, the cost recovery programme included increasing revenue through further taxation. These measures realised a rise in the stabilisation tax, national insurance contributions and the employment levy. Of course, they also resulted in an increase in food prices by 4.8 per cent and housing by 11 per cent, because of the increase in consumption taxes which were raised twice in 1991 along with growing interest rates (Barbados House of Assembly, March 31 1992:1796). In addition to this, 'a 20 per cent surcharge was placed on the importation of certain luxury goods and a number of increases in user fees and other charges were introduced' (ibid).

The trade liberalisation component of the structural adjustment programme was geared towards a reduction and eventual removal of 'a heavy export bias' (IMF 1992) created by the concessions offered to the manufacturing and agricultural sectors. However, the Fund advised that increased expenditure should only be scheduled for priority areas such as 'the tourism industry, environmental protection, education, road infrastructure and retraining facilities' (ibid).

The privatisation component entailed the divestment of parastatal enterprises which included the sale of the Barbados Flour Mill, Heywoods Hotel and Resort and the Barbados Arawak Cement Plant (IMF 1994). There were also reduced transfers and subsidies to statutory bodies. The monetary policy, on the other hand, focused on placing temporary limits on lending by commercial banks, 'interest rates were raised ... (and) hire-purchase regulations were abolished and the Central Bank gave up its right to fix the interest rate on residential mortgages' (Codrington 2003:140) .

Representatives of the labour movement and pressure groups regarded these policies as being anti-worker and anti-poor. They further posited the view that these policies were placing undue and unbearable strain on the working class, by threatening to fray the island's social fabric and create social instability. That Barbadians were asked to endure another 18 months of increased water and electricity rates, food prices, mortgage rates, increases in fuel, levies, the stabilisation tax, NIS contributions, school supplies, school meals and transportation was deemed by the main opposition force, the Barbados Labour Party, as well as the fledgling National Democratic Party, as totally unjustifiable (Barbados House of Assembly, March 31, 1992).

In response to the cuts to the social services budget the opposition claimed that the government was renegeing on its 'social contract with the people to provide certain basic necessities and

services for them in these circumstances' (Barbados House of Assembly, March 31, 1992). They accused the Sandiford administration, more precisely the Prime Minister, of gross financial misconduct and mismanaging the affairs of the country, to the point 'where there was absolutely no alternative but to go cap in hand to the International Monetary Fund, an institution of last resort' (Barbados House of Assembly, March 31, 1992: 1813). In an impassioned contribution the Member of Parliament for the City, Billie Miller, criticised these policy decisions, regarding them as a new form of colonial dominance. She expressed the opinion that Barbados was 'now unhappily into a new and different form of colonisation ... and the style and presentation of these so-called budgetary proposals betray the very heavy hand of the IMF' (Barbados House of Assembly, March 31, 1992: 1868).

Even with these drastic measures and constant criticisms the economic slump continued with both the manufacturing and construction sectors registering further decline. Manufacturing continued to lose its competitive edge, with its activity declining by 4 per cent in 1992 in comparison to the 2 per cent fall registered in 1991 (IMF 1992). A similar fate befell the agriculture sector with sugar production reaching its lowest level in 60 years, realising only 65,700 tonnes (Barbados House of Assembly, March 31, 1992). This drop was mainly attributed to a decline in the amount of canes harvested as a result of a reduction in the acreage of agricultural land previously set aside for farming (ibid: 1796). Similarly, the construction sector was affected by the government's tighter monetary policies, which sought to stem the inflow of imports upon which the sector was heavily reliant.

In response to this continued overall decline, the government admitted that its previous financial projections were based on an anticipated recovery in the OECD countries, but when this expectation failed to materialise, the structural adjustment programme (SAP), as recommended



by the IMF, was intensified (Barbados House of Assembly, March 31,1992:1799). More public sector businesses were divested 'in an effort to streamline their operations and to utilise the resources from the sale of these assets for the purpose of repaying some of the public debt' (Barbados House of Assembly, March 31, 1992: 1802). By the end of the financial year in March 1992 the government had sold off its shares of '18 million in Barbados External Telecommunication and 1,605,124 shares in the Barbados Telephone Company to Cable and Wireless' (ibid: 1803) The proceeds from these sales were used to repay the 1986 Japanese Yen Bond (ibid). The government also sought to divest itself of its shares in the Barbados Dairy Industries Limited (Barbados House of Assembly, March 31, 1992:1809).

This strategy did not have the desired effect since the revenue derived from taxation and divestment during the financial year 1992/1993 was much less than originally projected (Barbados House of Assembly, March 8, 1993:3093); \$99 million less than the anticipated \$1077.9 million (ibid). However, on the positive side, by the beginning of the financial year 1992/1993 inflation dropped to 5.7 per cent (Barbados House of Assembly, March 8, 1993:3095).

### **7.3 When Things Fall Apart: Dissent From Within**

The political and economic ramifications as well as the social fallout from introducing austere stabilising measures are widespread, and have been well documented. Gamble (2009) reminds us that constituents are rather unconcerned with whether the problems originated through external factors beyond the government's control or the converse (Gamble 2009: 93). They often hold the incumbent government accountable for the crisis and expect a swift and speedy resolution. Unfortunately, to their disappointment, the latter does not always occur and the government of

the day is perceived as incompetent and sometimes reckless. There is usually growing discontent among voters, and indeed among some dissenting factions within the government itself, regarding how the crisis should be handled. This discontent is often fuelled by opposition forces, who then present themselves as a more competent and credible alternative (ibid).

Good governance in such circumstances is often challenging, and at times near impossible, as pressure from all sides of the electorate mounts. At a time when social welfare, entitlements and even additional concessions are expected to help cushion the shock of rising commodity prices, unemployment and the cost of living, most governments find themselves in a proverbial straightjacket. Conversely, the government is viewed as taking away employment, reducing essential social services, thwarting what slight investment opportunities there are, and adding to the burden of the electorate (Gamble 2009). The government is held responsible for the crisis and becomes an easy target for the electorate and opponents (ibid).

Unless there is full cooperation from all Cabinet ministers adjustment programmes can, more often than not, cause divisions among its members. And, when such a split occurs, and is made public, it creates an air of panic, as this fear and uncertainty emanate and encompass the country. People begin to wonder who is steering the ship through the economic storm (Nelson 1990: 199). Instability and conflict within a Cabinet and between Cabinet ministers generate doubt and invariably trigger a lack of confidence in the economic reforms. This can result in a cycle of 'dwindling public and business confidence, falling free market exchange rates, accelerating capital flight, mounting labour and business protests and near government paralysis' (ibid: 199). All of these features, except the flight of capital, at least not in a very ruinous way, characterised the Barbados situation throughout the early part of the decade, as the government set about implementing its 1990s version of a stabilisation and structural adjustment programme.

This latest crisis was not simply a repeat of earlier ones. Whereas in the 1970s the government was able to use consensus amongst its technocrats and employ the strategy of sly civility to gain acceptance and maintain the upper hand; and whereas in the 1980s the unions used their collective strength to build national consensus and challenge the government and the World Bank, while the government used geopolitics to extract softer loan conditions from the Fund; by the 1990s this consensus was substantially eroded. In fact, the flipside of that arrangement prevailed, as the government was on the receiving end of a very disgruntled and disaffected population. The IMF's structural adjustment programme created political conflict and instability not only between the government and its opponents, as was expected, but there was internal fighting among members of the ruling Democratic Labour Party. Added to this, there was the threat of wide-scale social dislocation as unions took their members to the streets in unprecedented mass protests. However, not even the unions were immune from the conflict and panic that overtook the country. Union members became disenchanted with their representatives testing their allegiance and loyalty because some of the union leaders were members of Prime Minister Sandiford's administration.

The Financial Statement and Budgetary Proposals of 1989, 1991 and 1992 and the announcement of the IMF's structural adjustment programme did not provide an environment favourable for building national consensus. Instead, they threatened to create political instability and social dislocation at a time when general accord was desirable. As the country's economic situation became dire, there was much blame to go around. Finger pointing was directed at all sectors and segments of the society for contributing to and creating the depressing economic and social conditions that plagued the country.

The Shadow Minister of Finance and Economic Affairs, Owen Arthur, posited the view that the source of the problem resided in the country's development model. According to him, Barbados had come to the end of its development strategy without putting a new one in place; and in his opinion 'Barbados is an economy that is in many respects living on past accomplishments' (Barbados House of Assembly, March 31st, 1992: 862). He believed that the Barbados development strategy had passed its heyday and outlived its usefulness, and part of this problem was attributed to the union's request for higher wages (Barbados House of Assembly, November 26, 1991: 119).

Interest groups within a country, particularly trade unions and other civil society organisations, are often perceived as irritants and obstacles to economic growth. They are held responsible for forcing seemingly unreasonable financial and social demands on the government (Moseley, *et al* 1991: 146). In response to these charges the unions identified the private sector as the main entity responsible for the country's structural problems. Union leaders claimed that it was the private sector and not the public sector that consumed the majority of the nation's foreign reserves, but in times of austerity it was the public sector employees who bore the brunt of the adjustment measures (Barbados House of Assembly, July 30, 1991:874). They claimed that the sacrifice and hardships are disproportionately shouldered by the public sector, particularly the lower ranks, than by the private sector (*ibid*).

While the unions and public sector employees were identified by the business community as contributing to the country's economic woes, their main criticisms, however, were reserved for the Prime Minister, who was accused of financial mismanagement (Barbados House of Assembly, March 8, 1993: 3100). Prime Minister Sandiford was constantly under attack from his political opponents, the trade unions, the private sector and even from some of his Cabinet

Ministers between 1991 and 1993, for the introduction of the stabilisation and structural adjustment programme. He was accused of 'disastrous financial stewardship' (ibid).

Internally, governments are often divided over the adoption of controversial economic policies such as retrenchment, trade liberalisation and devaluation, creating havoc in the Cabinet (Nelson 1990: 184). The resignation of Cabinet Ministers is not an uncommon occurrence, as some politicians seek to distance themselves from the austere reforms (ibid). Barbados was no exception to this in the early 1990s.

Prime Minister Sandiford had inherited a largely divided Cabinet upon the death of the former Prime Minister and party leader the Rt. Hon. Errol Barrow. Mr. Barrow's death left a leadership vacuum in the Democratic Labour Party (DLP).<sup>7</sup> It was widely speculated in many quarters that the person favoured to assume the role of Prime Minister with the passing of Barrow was Dr. Richard Haynes who, from 1981 to 1986, was the DLP's lead opposition spokesman on economic affairs in and outside of Parliament, and from 1986 he was the Minister of Finance.

However, the Minister of Education, Lloyd Erskine Sandiford, who was the Deputy Prime Minister in Mr. Barrow's administration, was selected by majority vote among the Democratic Labour Party MPs to replace Mr. Barrow (Senior Public Officer, Prime Minister's Office, interview 2013). This action created deep rifts within the ruling party and on February 7th, 1989 Dr. Haynes, the Member of Parliament for the St. Michael South Central constituency, rose in the House of Assembly, along with three other members of the DLP administration, and

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<sup>7</sup> The Democratic Labour Party was returned to power in 1986 with a large majority, taking 24 of the 27 parliamentary seats with the Rt. Hon. Errol Barrow serving as the Prime Minister. However, Barrow who was also one of the party's founding fathers passed away while in office on 1 June, 1987. The DLP executive selected Mr. L. Erskine Sandiford to replace him, although Dr. Richard (Richie) Haynes was publicly favoured to be the next in line. This scenario created much internal conflict and split loyalties.

individually declared that they 'no longer supported the governing party, the Democratic Labour Party, which constitutes the majority membership of this Honourable House' (Barbados House of Assembly, February 7, 1989: 3153). The other three members were the representative for the City, Peter Miller, the representative for the constituency of Christ Church East, Edgar Bourne, and the member for St. George South, Peter Byer (ibid: 3153). Together they formed a breakaway faction, the National Democratic Party (NDP) with Dr. Haynes as the leader. The formation of the NDP with four members resulted in Dr. Haynes becoming the Majority Leader of the Opposition, and Mr. Henry Forde, the leader of the Barbados Labour Party and previous Opposition Leader became the Minority Opposition Leader.

Dr. Haynes as the new Leader of the Opposition charged the Prime Minister with 'bizarre and wild mismanagement of the finances of the country' (Barbados House of Assembly, December 3, 1990: 6339). This view was supported by Sandiford's other political adversaries as they identified him as the 'one and only one person responsible for the size of this fiscal deficit in this country' (Barbados House of Assembly, August 27, 1991: 939). They blamed the DLP government for placing Barbados in a vulnerable negotiating position when all of its defences were down. The Opposition propagated the view that 'the blame for what has happened to Barbados is not to be put on the IMF, it has to be attributed to the Rt. Honourable member and we must never let the country forget that' (Barbados House of Assembly, March 10<sup>th</sup>, 1992: 1559).

Nonetheless, despite the BLP and Haynes' best efforts to discredit the government, the general elections in January 1991 returned Mr. Sandiford to power as the Prime Minister of Barbados, and saw the defeat of Dr. Haynes and his other three party members. The Barbados Labour Party again entered Parliament as the Opposition. This, however, did not mark the end of political

divisions in the Democratic Labour Party government, but the beginning of what else was to come. What created much concern throughout the country during this period too was the resignation of senior policymakers and government technocrats, raising doubts in many quarters about the Prime Minister's ability to effectively manage the country's economic affairs.

Between 1987 and 1991, two Directors of Finance and Planning resigned from their very senior posts in the civil service. This was followed by the resignation of the Minister of State in the Ministry of Finance and DLP stalwart, Harold Blackman. Blackman's departure sent a clear indication that the crisis was deepening and that the government was on the brink of collapsing (Barbados House of Assembly, March 31<sup>st</sup>, 1992: 1872).

On March 31<sup>st</sup>, 1992, when Blackman tendered his resignation in Parliament he informed that august chamber that 'everyone, every single member of the front bench believes that Mr. Sandiford should be removed from being Prime Minister. Every single one, bar none' (ibid: 1872). He exposed in Parliament the extent to which Sandiford's Cabinet had no confidence in his leadership. According to him, the amended Letter of Intent sent to the IMF was based on the actions of his fellow Cabinet members who seized the opportunity to alter the document when the Prime Minister was out of the island on official business. He noted that 'every single change for the benefit of the poor people in this country was made by the rest of us when he was in Zimbabwe attending the Commonwealth Heads of Government Summit' (Barbados House of Assembly, March 31<sup>st</sup>, 1992: 1878). In the opinion of the Opposition the 'resignation of the Minister of State in the Ministry of Finance<sup>8</sup> during the course of the budget debate, and

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<sup>8</sup> Harold Blackman was the Minister of State in the Ministry of Finance, while the Prime Minister was the Minister of Finance.

immediately after hearing the presentation of the Minister of Finance, signalled a lack of confidence in the Prime Minister' (ibid: 1811).

More political fallout and divisions among the Cabinet ministers and their leader were evident when it was publicly revealed that a particular senior minister, as a sign of protest and opposition towards the Prime Minister's policies, was no longer attending weekly Cabinet meetings (former Senior Public Officer, Prime Ministers' Office interview 2013). This news was confirmed when that minister eventually resigned from the Cabinet in 1993 and openly disclosed what most Barbadians previously knew (BUT 1994; former Senior Public Officer, Prime Minister's Office interview 2013). The already highly charged political climate was further aggravated by the resignation of a Director of the Board of Directors of the Central Bank of Barbados who was also a senior member of the ruling Democratic Labour Party. He held the Prime Minister responsible for the country's economic woes because of his refusal to adhere to the prior warnings of the World Bank and the Central Bank of Barbados. His letter of resignation that was addressed to the Prime Minister noted that 'the participation of the public in the series of demonstrations of the last few weeks have been a demonstration of the lack of confidence in you more than anything else. I share that lack of confidence. I sincerely believe that the best thing for the country at this time would be for you to tender your resignation as Prime Minister and Minister of Finance' (Barbados House of Assembly, March 31, 1992: 1813 -1814).

One by one, it appeared as though they were jumping ship and abandoning their party. Not even the union executives could withstand the pressure and they too succumbed under the strain. The trade union members of the government found it difficult, even out of necessity, to accept the government's structural adjustment programme, especially in light of the 8 per cent salary reduction for public sector employees (Barbados House of Assembly, September 17, 1991:



1026). The three union executives voted against the resolution authorising the 8 per cent cut in public sector salaries, essentially opposing the government's decision; and they expressed disappointment that the Prime Minister terminated the salary negotiations with the unions, thereby treating them with scant regard. They accused the government of consulting consistently with the private sector, trying to appease them, and in the process choosing capital over labour (Barbados House of Assembly, September 17, 1991:1043).

Distrust among other parliamentarians continued to mount as they too began to question the true nature of the structural adjustment programme. This suspicion hindered the building of national consensus. The Prime Minister was accused of hiding from the public the full impact and consequences of the structural adjustment programme (ibid: 994). This lack of clarity and the attendant uncertainty created panic throughout the country. The opposition was also blamed for aggravating the situation and creating panic as it claimed that there would be additional layoffs in the public sector (Barbados House of Assembly, February 26, 1991: 939).

Key opposition spokespersons were blamed and taken to task for allegedly making what was termed inflammatory remarks and spreading unsubstantiated rumours about the devaluation of the Barbados dollar, which government officials contended could have the effect of scaring away potential foreign direct investments (ibid). Despite these warnings, the opposition maintained its stance and continued to paint a dreadful picture of the social ills that were plaguing the country. Claims were circulated of 'rampant crime, joblessness, victimisation (and) ... the middle class being pauperised by the programmes of the government, and the poor was being made more destitute' (Barbados House of Assembly, March 31, 1992: 1837).

Although time proved these accusations to be highly inaccurate, self-serving and exaggerated, the fear that was experienced was real. People were said to be,

'very anxious; they were worried about job security and tenure or the lack thereof. Some persons had to forgo payments on house mortgages and ended up losing their homes to foreclosure; while others had reduced purchasing power. It was a turbulent time' (former Senior Public Officer, Prime Minister's Office interview 2013).

The panic and fear discussed above were justified as Barbadians had very recent examples of political violence and social dislocation in other Caribbean countries, such as Guyana and Jamaica which grappled with the impact of a stark decline in their standard of living as a result of being in a similar predicament (former Permanent Secretary, Ministry of Finance interview 2012). Jamaica was particularly plagued with political violence and in both of those countries the national currency went through periods of constant devaluation in conjunction with the growth of inner city slums and poverty (McAfee 1991). As noted by a former Permanent Secretary, 'Barbadians saw what had happened in Jamaica and in Guyana, and the Barbadian population had heard of shortages and distressing stories emanating from those countries. So, they were afraid of devaluation and willing to do what was necessary to avoid it' (former Permanent Secretary, Ministry of Finance interview 2012).

The morbid fear of that spectre, nonetheless, proved to be a counterbalancing, but productive blessing, for it mobilised the unions, the government and the private sector to act together and generate national consensus in an attempt to return the country to economic stability. According to a senior civil servant in the Ministry of Finance, 'all the entities understood that to do otherwise, social dislocation could have easily resulted; and it was felt that if you devalued once,

the likelihood is you would continue on that trajectory' (former Permanent Secretary, Ministry of Finance interview 2012). The panic which the IMF's presence engendered, and the sotto voce buzz of devaluation, albeit highly speculative, forced the government to engage in meaningful dialogue with its various constituents as an act of reassurance.

#### **7.4 The Impact of the Structural Adjustment Programme on the Education Sector: Neither Insulated nor Isolated**

A cogent argument has been advanced that in recessionary periods, especially during fiscal austerity, instead of reducing education budgets governments should increase them, thereby ensuring that there would be a highly skilled labour force to weather the austerity storms and to rebuild when the economy recovered. Structural adjustment programmes aimed at reducing and containing public expenditure, particularly in education, only result in short-term gains, if any at all, but are detrimental to long-term sustained economic growth (Carnoy 1995: 654). The global economy requires more not less government investment in education. Investment in the education sector enables governments to reposition their economies to adapt and adjust to the rapidly changing nature of the global economy. Reducing investment in education, therefore, hinders the potential for sustained growth (ibid).

As the global financial system shifted towards a knowledge-based economy, education, principally at the post-secondary and tertiary levels, is of critical importance to economic growth and human capital, especially considering the need to have a flexible and easily trainable workforce with transferable skills (Carnoy 1995: 655). Since such an economy requires scientists, engineers and information technology specialists, primary and secondary instruction must be complemented by relevant post-secondary and university training. Primary and

secondary education is now seen as vital to 'laying the foundation for lifelong learning' (Anonymous 1995: 757). Woodhall and Jallade (1991) also draw a similar conclusion when they note that there is a need to focus on protecting the education budget during periods of structural adjustment since investment in human capital is applicable to economic recovery (Woodhall and Jallade 1991: 25).

However, the opposite occurs and education budgets are often reduced with financial cuts to staff, materials and building maintenance. The absence of teaching resources and learning materials increases teachers' frustration and burdens, because they become the only learning resource in the classroom (Graham- Brown 1991: 40). This has a consequence of affecting the quality of instruction because tutors are not motivated to teach when the infrastructure is in a state of disrepair, when their salaries are frozen or reduced, and when teaching and learning supplies are cut (ibid).

The World Bank has been accused of sending policymakers the wrong message that reforms in the education sector do not affect the quality of education delivered, through its constant insistence that teacher salaries be frozen and that education budgets be reduced (Carnoy 1995). Thus, while governments maintain their commitment to universal access to education and therefore continue to provide a right of way to it, the quality of the education offered is rolled back (Woodhall 1991:23).

Graham-Brown (1991) suggests that the choice some governments have in implementing austerity is to decide 'whether out of ideological conviction or political calculation to maintain the proportion of expenditure going towards education, while cutting other social sectors' (Graham- Brown 1991: 37). Governments also have to determine which areas in the education

budget would be cut and which ones are recognised as priorities and are protected from the overall reduction in public spending (Woodhall 1991: 13).

The growing political instability and social dislocation challenged the resilience of Barbados' education sector and the government's financial commitment to this sector. Both the IMF and the World Bank perceived the education sector as being crucial in aiding in the revival of Barbados' economy. At the centre of the IMF's programme to restructure the economy was the reform of the education system to focus more on technical and vocational skills at the secondary and post secondary levels.

This was to be achieved through a Third World Bank Education Project, officially identified as the Human Resource Project Loan 3634 -BAR. This project created new conflicts between the Ministry of Education and the teachers' unions, particularly the Barbados Union of Teachers (BUT). However the negotiation of this project was overshadowed by the budgetary cuts to the education sector as a result of the retrenchment component of the structural adjustment programme. The cuts added to the existing tensions and together with the Barbados Secondary Teachers' Union, BUT joined forces with the Coalition of Trade Unions to challenge what was regarded as attacks on their professionalism (BUT 1992). As happened in the 1970s and the 1980s, the teachers were once again fighting to assert their expertise and national development relevance, as they sought to obtain security of tenure and better teaching conditions, among other improvements.

As noted above, Barbados' education sector was expected to play a critical role in the restructuring of the economy towards the services sector, particularly the data processing and offshore financial sectors and technical industries (World Bank 1993). Great importance was

placed on training teachers in technical and vocational subjects, concomitant with the expansion of computer technology and other technical subjects in the island's secondary schools (ibid). The third education project was the main instrument that would support and give impetus to this initiative.

Throughout the structural adjustment period of 1991-1993 the Government of Barbados brought the second education project to a close and was negotiating a third education human resources project. The Second World Bank Education Project closed on November 2nd, 1993, after a Cabinet decision on August 20th, which made it clear 'that no funds would be earmarked for the Ministry of Education headquarters, which forced the Bank to close the loan on schedule and to cancel the outstanding balance' (World Bank 1995: 4). Thus, as with the other capital work projects, the IMF adjustment programme that called for reduced government expenditure resulted in the absence of counterpart funding. Nonetheless, prior to its closing the government was able to have 10 primary schools and two secondary schools constructed, and these provided an additional 2,000 school places, creating more jobs as opposed to cutting them.

However, as they did in the past, World Bank officials complained that the student to teacher ratios remained low despite the government's commitment to maintain the ratios at 23:1 in the primary schools and 19:1 in the secondary schools (Ministry of Education 1993; World Bank 1995). At the end of the project, the ratios had dropped to 20:1 in the primary schools and 18:1 in the secondary schools (World Bank 1995: iv). The Bank was also critical of the government for relaxing its hiring freeze policy, employing specialist remedial teachers and lowering the teaching loads in primary schools (ibid).

Ironically, the education system in Barbados was thought to be contributing to the growing problem of high unemployment and low productivity, since its overall structure was considered highly restrictive and rigid, creating a self-fulfilling prophecy of failure amongst 'slow learners' (World Bank 1993: 4). This, according to the World Bank, was further reinforced by the Caribbean Secondary School Entrance Examination (the 11+)<sup>9</sup> and the Caribbean Examination Council (CXC) examinations which replaced the Oxford and Cambridge ordinary level (O level) examinations, although identical in form and function (Layne 1991). The education system was criticised for being skewed towards academic jobs as opposed to filling the manpower needs for technical and vocational skills (ibid). Barbados, in the World Bank's opinion, remained a society focused on academic as opposed technical training.

Layne, (1986) on the other hand, argues that these claims are misleading since they support the myth that unemployment is a result of the absence of skills. He cautioned that training cannot be seen as a substitute for jobs (Layne 1986: 23). This emphasis on increasing manpower skills deflects from the real problem of unemployment which is caused by the absence of the demand for labour. It also fails to address the discrepancies in pay between technical and professional jobs (Layne 1986). Nonetheless, the government, in keeping with the Bank's demands, made a commitment in its 1993-2000 education development plan to replace the 11+ examination with continuous assessment (Government of Barbados 1993). The World Bank, once again, identified the teachers' unions as a potential project risk by anticipating that they would react negatively to

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<sup>9</sup> The eleven plus examination, which was similar to the British 11 plus examination, tested children's academic abilities at the age of 11. It was and still is a one day, three hour examination, where the children are only tested on Mathematics, English and Comprehension. Their test scores, in Barbados, determine whether they would attend a prestigious secondary grammar school or attend a comprehensive secondary school. The comprehensive (newer secondary) schools have been nationally (unofficially) identified as schools for academic failures.

the suggested reforms (World Bank 1993: 17). This, of course, signalled the continuation of the decade long ideological struggle between the teachers' unions and the Bank.

The Bank, as it did in the First and Second Education Projects, stressed that it remained committed to addressing the perceived inefficiencies in Barbados' education sector. Therefore, it indicated that the Third World Bank Education Project, as it related to primary and secondary education, would complement and support the Government's adjustment efforts by 'improving efficiency and tackling rising cost recovery within the education sector, all the while increasing the availability of trained manpower' (World Bank 1993: 10). Like the Second World Bank Education Project, this one was also co-financed by the Inter-American Development Bank (IDB). The World Bank submitted that, because of the country's financial constraints, the government's traditional expenditure on education (between 16 - 20 per cent) required sound financial planning, since the problems experienced in the sector were as a result of the 'excess recruitment of teachers without consideration for cost containment' (ibid). This, in its view, could be remedied through greater internal efficiency and by addressing the student to teacher ratios at both the primary and secondary levels.

Added to these concerns was the view that insufficient resources were being allocated for the maintenance of the school plant, learning resources and supplies (Ministry of Education 1993). Having noted that the government recovered less than 3 per cent of its total education expenditure through the textbook loan scheme, registration fees and petty fees, the Third World Bank Education Project proposed the introduction of user fees at the Barbados Community College (BCC) and the Samuel Jackman Prescod Polytechnic (SJPP) (World Bank 1993: 17). The cost recovery plan sought to increase the level of recovery from 3 to 7 per cent of the



education sector's recurrent budget. This was to be achieved through the introduction and standardisation of tuition fees at these tertiary institutions (ibid).

The stated aim of this project was to 'facilitate the consolidation of achievements of the first two projects and support the Government's education reform initiative' (World Bank 1993:12). At the level of primary education, emphasis was to be placed on improving students' academic performance through the provision of 'staff training, textbooks, electronic learning resources, infrastructure upgrading and reinforcement of the Ministry of Education's institutional and policy development capabilities' (World Bank 1993:iv). For the secondary and post secondary levels, the main emphasis was on technical and vocational development. This aspect of the project focused on improving the technical and vocational education training curricula, thereby enabling it to be more responsive to industry changes, rationalising it and making it more effective.

Although making commitments to the World Bank in the First and Second World Bank Education projects, the government's student to teacher ratios remained low and in the Bank's view this was unsatisfactory. Their experts claimed that the decline in the school age population, the increase in the teaching staff and the country's fiscal problems precipitated the urgent need to address student to teacher ratios. As in previous projects, the government once again promised to reform the education sector by further amalgamating small uneconomical schools in an attempt to increase the student to teacher ratio at the primary level to '25:1 and at the secondary level to 21:1 by 1996' (World Bank 1993: 7). Reducing the student to teacher ratios would have freed-up funds which in turn could be reallocated to non-salary areas like materials, teaching supplies and aids, textbooks and maintenance (Ministry of Education 1995: 18).

However, sceptical of the government's commitment, the Bank introduced this component (increasing the student to teacher ratios) as part of the loan covenant for the first time. Barbados' education system was once again being scrutinised by the World Bank, but this time, heavily supported by the IMF. In relation to the student ratios it was suggested by a former executive of the Barbados Union of Teachers that the government's former strategy of sly civility was coming back to haunt it. He observed that 'conditions that the government did not keep ... well you know in a strange way these things come back at you' (former General Secretary, Barbados Teachers' Union and Parliamentary Secretary, Prime Minister's Office interview 2012).

Although the Bank and the IMF emphasised time and again that the education sector was central to the country's economic recovery effort, the sector was not spared the hardship and obvious consequences that accompanied the adjustment programme. In fact, the planning and design of this project in 1993 was preceded by a 10 per cent cut to the education budget<sup>10</sup>. As the government sought to avoid the introduction of user fees at the primary and secondary levels, as well as maintain its teaching staff, all other areas within the education budget and the schools were reduced and subsequently affected (CUT/BUT 1992:7). Training for teachers was suspended and along with this there were reduced teaching supplies (ibid).

As a consequence, the government's overall expenditure on the education sector fell from a high of 17.4 per cent in the financial year 1990/1991 to 16.4 per cent and then to a further 15.7 per cent in the budgetary expenditure for the financial years 1991/1992 and 1992/1993, respectively (Ministry of Education 1995 cited in Jones 1997). This, however, later rose to 18.4 per cent in 1993/1994 as the economy showed signs of recovery (ibid). The former president of the BUT

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<sup>10</sup> This cut was applied across the board to all sectors.

cautioned that 'these figures obfuscated the impact which the adjustment programme had on the education sector' (former President, Barbados Union of Teachers and Minister of Education interview 2012). Details of the funds allocated to the education sector during this period (1989-1993) are presented below in table 7.3. The figures, as argued by the former President of the BUT, do not, at first glance, show as any significant changes in the government's education expenditure.

<b>Table 7.3 Government Education Expenditure 1989 -1993</b>		
<b>Year</b>	<b>Total Expenditure BDS\$</b>	<b>Education % of Total Government Expenditure</b>
1987-1988	175,984,000	17.4
1988-1989	188,603,000	17.5
1989 -1990	195, 217,912	19. 2
1990 -1991	207,674,603	17.4
1991-1992	189, 414, 254	16.4
1992-1993	188, 855, 195	15.7

Source: Barbados Estimates of Expenditure (1989 -1993).

He explained that since 85 per cent of the education budget went to teachers' salaries and the permanent teaching staff was not reduced, it meant that the 10 per cent reduction in the budget came from other areas (ibid). Therefore, what was affected throughout this period was the delivery of education, as the cuts had an adverse effect on the government's maintenance and repair programme, its capital works programmes and school supplies. This was confirmed by a former president of the Barbados Secondary Teachers' Union who recollected that during the structural adjustment period 'education remained relatively untouched as far as employment was concerned, but the money available for materials for certain subjects was reduced' (former President, Barbados Secondary Teachers' Union interview 2012).

These budget cuts also meant that school construction projects were postponed. Projects such as the St. Thomas Secondary School, to which BDS\$4.25 million was voted to construct this facility during the financial year 1991/1992, received no funds in the financial year 1992/1993 (Barbados House of Assembly, March 10, 1992: 1679)<sup>11</sup>. A reduction in the sector's budget was reported to affect other areas such as teacher training, pre-primary education, the teaching aids and materials provided by the Ministry of Education's Audio Visual Aids Department, the textbook loan scheme and security at the schools (BUT 1993; CUT 1992:3). These reductions significantly affected the delivery of education.

The adjustment measures affected the remedial education programme in the primary schools as well. Whereas in the past there were remedial teachers who were assigned to children with reading and other learning challenges, these teachers were returned to the general classrooms and the programme was halted (former President, Barbados Union of Teachers and Minister of Education interview 2012). They were postponed despite the fact that 'the programmes were achieving significant results ... the notion of quality had to be postponed or diluted' (ibid). In addition to this, those teachers in the primary schools who specialised in specific subject areas such as general science and art and craft were also reassigned to the general classrooms (former President, Barbados Union of Teachers and Senator interview 2012). The adjustment measures meant that with reduced funding and supplies, teachers had to do more with less. It was reported that primary schools had 'prolonged shortages in some basic teaching materials. Schools suffered from infrequent supplies and ... financial grants to support such areas as physical education, agriculture science and art and craft were not received by schools during the first year of the stabilisation and structural adjustment measures' (former President, Barbados Union of Teachers

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<sup>11</sup> St. Thomas Secondary School was finally constructed and completed in 1997.

and Minister of Education interview 2012). Likewise in the secondary schools, the lack of school supplies affected practical experiments and demonstrations. This was most noticeable in the sciences where in some lessons there were only single demonstrations conducted by science teachers, whereas in the past students did these in pairs or individually (former President, Barbados Secondary Teachers' Union interview 2012). A similar experience was reported in the teaching of Home Economics where students had to bring their own groceries for practical lessons (ibid).

The opposition Barbados Labour Party (BLP) termed the government's pronouncements on the education sector as contradictory and hypocritical. On the one hand, it was claimed that the government pledged its commitment to restructuring the sector with an emphasis on promoting technical and vocational skills, but on the other hand significantly reduced the funds allocated to the technical and vocational programmes (Barbados House of Assembly, February 6, 1991: 383). They claimed that the budget had the footprint of the IMF riddle throughout it (Barbados House of Assembly, March 31, 1992: 1868). The Sandiford administration was said to be 'wielding a fairly savage scaffold' (Barbados House of Assembly, July 7, 1992: 2283) in relation to the resources allocated to the Ministry of Education. The government was accused of not working on its own accord, but being manipulated by the World Bank and the IMF who were said to be working in the shadows (ibid). The government was reported to be wholeheartedly accepting the IFIs' position on education without adapting them to local needs and conditions. According to the opposition BLP, 'all the reports we have been seeing from the government in recent times we see that they must be influenced by external thinking, whether it is the World Bank, the IMF, the IADB or whether it is dealing with UNESCO' (Barbados House of Assembly, July 7, 1992: 2040).

Prior to the adjustment period it was common knowledge that the government's school building and maintenance programme was underfunded and poorly resourced. Its focus since the World Bank education projects began in 1978 had been mostly on building new primary and secondary schools neglecting the maintenance of existing ones. The structural adjustment programme exacerbated the situation. Reduced financing for maintenance repairs at schools resulted in many schools being in a state of disrepair and dilapidated conditions (Barbados House of Assembly, March 8, 1993: 3220). The Ministry of Education received continuous complaints with reports of 'leaking roofs, lack of lighting and even adequate water supply' (former President, Barbados Union of Teachers and Minister of Education interview 2012). Other schools suffered from the presence of asbestos and termite infestation (BUT 1993: 12). For example, the rural Ebenezer Primary School was reported to be in such a derelict state that the Ministry of Education was faced with protests from parents and the local community (Barbados House of Assembly, March 8, 1992: 1699). On another occasion, parents went as far as to close down that school (Barbados House of Assembly, March 10, 1993: 3220). The BUT protested against these conditions noting that they severely affected the delivery of education and forced teachers to work in unsafe and unsanitary conditions, and since productivity became a major issue during this period, teachers were demanding suitable conditions under which they could produce at an optimum level. The teachers' unions, according to a former BUT President, were fighting for 'professional conditions so that teachers can operate in a climate of professionalism' (former President of the Barbados Union of Teachers and Senator interview 2012).

In keeping with the discussions regarding funding for the maintenance of schools, the BLP Shadow Minister for Finance and Economic Affairs noted that whereas the government previously spent BDS\$13 million on capital expenditure for the financial period 1986/1987, only

BDS \$5 million was provided during 1991/1992 (Barbados House of Assembly, March 10, 1992: 1710). In his opinion this was 'giving rise to tremendous maintenance problems in the schools and the dilapidation of much of the school plant' (ibid).

In Barbados, the adjustment programme also affected school children personally, as they too were not insulated from the impact of the programme. A former Permanent Secretary in the Ministry of Finance recalled that while the government remained committed to the provision of free education and continued to bear the cost of providing this service at the point of delivery, thereby resisting the introduction of user fees at the primary and secondary levels, it was forced to recover some of its expenses through increases in the fees of the textbook loan scheme and the provision of school meals (former Permanent Secretary, Ministry of Finance interview 2012). In the financial year 1991/1992 the funds allocated to the textbook loan scheme totalled BDS\$1.37 million; however, in the financial year 1992/1993 it was reduced to BDS\$100,000, evidently indicating that fewer books would be purchased by the Ministry of Education during that year (Barbados House of Assembly, March 10, 1992: 1679).

Since the adjustment programme had already affected the disposable income of many households, the increase fees for the textbook loan scheme as well as increases in bus fares and the cost of school meals meant that families were experiencing more difficulties in coping with the financial burden of these increases. Parents were being asked to carry the weight of these increases at a time when 'wages were being frozen, unemployment was rampant and inflation was rising' (former President, Barbados Union of Teachers and Minister of Education interview 2012). The increase in truancy was identified as one of the end results of these burdens (ibid).

The effects of these cuts were not lost on the government's parliamentary opponents who observed that they (the cuts) 'can impact so severely on a large number of people as to make a mockery of the whole notion of the availability of free education' (Barbados House of Assembly, March 10, 1992: 1686). Later, they added to this argument by claiming that the introduction of fees for school meals and the increase cost for textbooks were 'typical IMF styled instructions' (Barbados House of Assembly, March 31, 1992: 1868).

One area which did not suffer any reduction was the established teaching staff. Despite the unions' allegation that over 300 teachers were sent home, the Ministry of Education was at pains to explain that those teachers who did not return to the teaching service were temporary staff members or substitute teachers who were contracted to replace permanent staff who were either on study leave, sick leave or holiday leave (Barbados House of Assembly, March 10, 1992: 1699). As a matter of fact, it was clearly demonstrated by the then Minister of Education as well as a former executive member of the BUT that only 200 temporary teachers, and not 300 permanent ones, were laid off (ibid; former General Secretary, Barbados Union of Teachers and Senator interview 2012). Cuts were made, however, to the ancillary staff, particularly security officers at primary schools, which meant that some schools were vulnerable and at risk to security breaches and vandalism (BUT 1994:2). These cuts in expenditure did not necessarily result in increased efficiency, but instead sometimes lead to reduced efficiency and wastage as teacher morale declined (ibid). This posed a fundamental question, as to whether these cost-effective measures 'represent a gain in efficiency or a reduction in quality' (Woodhall 1991: 24).

Notwithstanding this, the technocrats in the Ministry of Education saw one positive outcome from the education reforms brought about through the adjustment programme, that is, the elimination of duplication in the teaching service. In the opinion of a former Deputy Chief



Education Officer, the IMF's structural adjustment programme had the unpredicted effect of correcting duplication and anomalies within the teaching service (former Deputy Chief Education Officer, Ministry of Education interview 2012). He noted that prior to the release of temporary teachers in 1992 a situation existed where the Ministry of Education, at times, did not know precisely how many teachers were employed in the system at any given time, and sometimes as many as three persons were occupying one position (ibid). This, he said, occurred because 'a teacher would be acting for someone who was attending Erdiston (Teachers' Training College) and somehow another person in the system is acting for that individual, and the second person that the substitute is acting for is at Erdiston as well. So, in some random cases you had two or three people filling the same position at one point in time' (ibid).

In addition, as stated by the then Minister of Education 'in 1993, approximately 600 teachers were requesting a term's leave (as is their right) and this would require the government to hire 255 substitutes for that term' (Barbados House of Assembly, March 8, 1993: 3211). Furthermore, the government would have to pay the substitutes as well as the teachers on leave' (ibid). These circumstances further compounded the problems in any case.

The dismissal of the temporary teachers, however, in the opinion of a former BUT executive, 'did not affect the student to teacher ratios, or the delivery of education to any significant degree' (former General Secretary, Barbados Union of Teachers). It was argued that as the numbers were already low, prior to the introduction of the adjustment measures, because the school enrolment rates were on a steady decline following Barbados' low birth-rate throughout the 1980s resulting in the student to teacher ratios remaining low (former President, Barbados Union of Teachers and Minister of Education 2012). These claims are demonstrated in table 7.4, which shows that

the student to teacher ratios in the primary and secondary schools remained constant during the adjustment period.

<b>Table 7.4 Barbados Teacher to Student Ratios 1992- 1994</b>		
<b>Year</b>	<b>Primary Schools</b>	<b>Secondary Schools</b>
1992	1:19	1:18
1993	1:20	1:18
1994	1:20	1:19

Source: Ministry of Education 1995

Nonetheless, as noted above the government's structural adjustment programme impacted negatively on the delivery of education. The Barbados Union of Teachers sought to counteract the effects of the adjustment measures by offering training and courses in professional development to its members. This shift away from traditional trade union activities and issues sought to build not only teachers' professional skills but their overall confidence. As the crisis bore down on the education system teachers were continuously at loggerheads with the Ministry of Education. In some respects, their morale was not only bruised as a result of their increased workload and poor working conditions, but also because, like all other public service employees, they too received the 8 per cent salary reduction and an increase in direct and indirect taxes. This meant that 'the net salaries of teachers were reduced by approximately 15 per cent' (former President, Barbados Union of Teachers and Minister of Education interview 2012). Added to this, the BUT thought teachers were being unfairly blamed for the increase in social problems among the youth. It was stated that 'without an understanding of the nature and extent of this

crisis ... teachers, individually and collectively, were apportioned more than their fair share of the blame for declining standards' (BUT 1991:5).

So, in an attempt to build self-esteem and protect the image of teachers as professionals, the BUT started to focus on their professional growth, which assessed new teaching techniques and their rounded development (former General Secretary, Barbados Union of Teachers and Senator 2012). According to a previous BUT General Secretary, 'throughout the austerity programme there was a desire to establish, through training and qualification, that we are a profession that was central to development' (ibid). This was confirmed by the BUT's annual report which indicated that during the academic year 1992/1993 the professional development educational arm of the union intensified its work in an attempt to upgrade the capabilities of a wide cross section of its membership (BUT 1994). The union determined this as important, since it claimed that the future of the Erdiston Teachers' Training College was questionable, as no students were enrolled for the academic year 1992/1993 (ibid). The union anticipated that there were going to be reduced training opportunities for its members and it perceived the provision of training programmes as part of its remit.

Training opportunities were not only made available locally but they were offered regionally and internationally as well, through the provision of scholarships at academic institutions. Training was also offered by other unions such as the Canadian Teachers' Federation and the Caribbean Union of Teachers, and similar associations in Latin America (BUT 1995).

As a former BUT President pointed out, these external associations assisted in elucidating the various World Bank education policies and strategies. She reflected on how exposure to other hemispheric and international fraternal bodies and North American unions helped their efforts

and explained that the BUT, in terms of its understanding of how to deal with the World Bank, was 'so far behind in accepting things we should be fighting against ... we got encouragement and advice from countries like Canada and so on, not to sit and allow those things to happen in the Caribbean' (former President, Barbados Union of Teachers and Senator 2012).

She further explained that the unions believed that they were fighting against the Bank's perception of education as a tradable commodity; whereas the unions recognized 'education as a social development tool. While we are educating our people for mobility into systems that would build capacity in your own country, they only saw it as using this amount of money to do that ... to teach towards a specific goal' (ibid).

In May 1992, the Caribbean Union of Teachers, in partnership with the Barbados Union of Teachers, hosted a conference that sought to examine the economic crisis impacting the Caribbean's education system, and the IMF structural adjustment programmes which many Caribbean countries had entered into (CUT/ BUT 1992). As the regional teachers' unions explained the impact which the adjustment measures had on the teaching profession in their respective countries, these declarations only heightened and increased the fear surrounding the future of the Caribbean's education system.

The Barbados teachers' unions posited the view that while they did accept that the government was in financial straits, they maintained that as far as the education sector was concerned the government 'must continue to put aside at least 20 percent of our budget for this. Full stop!' (former President, Barbados Secondary Teachers' Union interview 2012). The teachers' unions, specifically the Barbados Union of Teachers, were not prepared to sit idly by and wait for the government to decide where its ideological or political interests resided. Instead the BUT

responded to the threat of further austerity and assault on the teaching service by 'joining forces with other trade unions and staff associations in the formation of the Coalition of Trade Unions and Staff Associations' (BUT 1992:20). These new conditions and threats required new forms of organisation on the part of the unions if they were to be addressed appropriately. This organisation later evolved and became officially known by the nomenclature CTUSAB - the Congress of Trade Unions and Staff Associations of Barbados.

As would be highlighted below, this partnership had the effect of significantly alternating the nature of the adjustment programme. Together, these combined efforts helped maintain the existence of the country's social democratic welfare model. A model which the adjustment measures reshaped but did not result in its destruction.

### **7.5 Resistance through Consensus: The Formation of the Barbados Tripartite Social Partnership**

The reactions and responses of organised labour and business associations are often crucial to successful stabilisation negotiations (Nelson 1984: 107). The IMF, in its assessment of Barbados, concurred with this view, and noted that while 'an adjustment exchange rate could provide an upfront improvement in cost competitiveness and an improvement in employment ... the authorities were concerned that a change in the longstanding exchange parity would destabilise the financial performance and make consensus on an adequate incomes policy difficult' (IMF 1993:5).

The political management of the stabilisation process requires that the government brings into its confidence key stakeholders whose political and/or economic strength can derail the process if they are ostracised or alienated (Waterbury 1989: 55). Organised labour in small island states,

like Barbados, plays a central role in the socio-economic and political process with close ties to the main political parties. Failure or refusal to include them in the loan negotiations and decision-making process signals an outright rejection of voter concerns and needs. Nelson (1984) underscores the fact that all parties involved in negotiating the stabilisation and structural adjustment programmes, especially the IMF and the World Bank, are acutely aware that the programme cannot be implemented, least of all successfully, in an environment of political instability and uncertainty (Nelson 1984: 100). The initial refusal to include the unions and other domestic actors in the negotiation process resulted in concerns and fears being expressed over the actual nature of the adjustment measures.

In Barbados, the frustration, fear and panic which resulted from the adjustment programme led to the formation of the Coalition of Trade Unions. The Coalition was formed under the leadership of LeRoy Trotman, the General Secretary of the Barbados Workers Union, the biggest and most powerful labour union in the country (Mark 1996). With its formation the local labour movement once again demonstrated that, even in a restrictive structure and very difficult negotiations, agency can be exercised. The unions as they did in the 1980s showed that the type of economic globalisation, which the IFIs have been promoting, can be challenged and challenged successfully too. The Coalition fought and won out against major cuts to the social sectors, mainly health and education, further retrenchment of public sector employees and the devaluation of the Barbados dollar. Its singular efforts, however, were not enough to challenge either the government or the IFIs. So, to achieve this, they were forced to join in a social partnership with capital (the Barbados Private Sector Agency) and the government.

This decision would have left many a purist stunned, when they realised the pact made strange bedfellows. Here were two of the three entities (labour and capital) with completely different

raisons d'être, different constituents, different agendas, and even different objectives, sitting down side by side with the state, combining forces for national development. Their alliance projected a united front to the IFIs and helped to stymie the large-scale imposition of neoliberal policies.

At the outset, the teachers' unions, particularly the Barbados Union of Teachers (BUT), were not in total agreement with what some felt was a contrived socio-economic alliance, designed to extricate the government from a self-inflicted economic quagmire. In his address to members at the BUT's annual general conference in 1993 the president expressed his concerns about the role of the partnership. He perceived 'the proposals as dangerous and far reaching (and) the union could not accept a position that would constrain how the collective bargaining process would be pursued in the future' (BUT 1994: 10). The BUT also remained suspicious of the private sector's role in the partnership (BUT 1994: 6). Nonetheless, on the other side of the coin, it saw the advantages of the partnership since it gave 'the unions the opportunity to meet directly with all those persons in major decision making positions, both in the public and private sectors' (BUT 1994:3).

In the end, the BUT realised the wisdom of coming on board and perceived it as a 'sensible compromise' (BUT 1994:8). Another former BUT president sought to infuse pragmatism into the discussion when he referred to the proposed social partnership as 'a method of domestic survival. You did not have any other option but to embrace cooperation and collaboration for national salvation' (former President, Barbados Union of Teachers and Minister of Education interview 2012). The Barbados Secondary Teachers' Union eventually had a prominent position in the partnership and it played a key role in the negotiations with the IMF. In fact, its President, Patrick Frost, was credited with being instrumental in the Coalition overcoming the apparent

discomfort at the initial negotiating session between the Fund's mission leader and the social partnership leaders (Trotman 2004: 105).

The Coalition consisted of the Barbados Workers' Union, the National Union of Public Workers, the Barbados Union of Teachers, the Barbados Secondary Teachers Union and other staff associations. It was, however, not without its own internal issues, as each individual body had separate concerns which they wanted addressed and which they brought to the Coalition. One such organisation was the Barbados Association of Medical Practitioners (BAMP). It had left the Coalition since its call for the resignation of the Prime Minister was dismissed (Trotman 2004). It had also alleged that the Coalition's leader had a connection to the Sandiford administration (BUT 1994). Nevertheless, although formally withdrawing from the Coalition, BAMP still 'continued to send representatives to its meetings, and fully participated in all activities short of interfacing with the Prime Minister' (Trotman 2004: 109).

The Coalition also carefully monitored its membership and at times used its influence to admonish any of its members whose actions were seen as derailing national unity. A case in point was when the leader of the Coalition learnt that one of its members, the National Union of Public Workers, had joined with the Barbados Manufacturers' Association and was planning strike action without first consulting the umbrella body. The chairman of the Coalition immediately intervened and halted this action (Trotman 2004: 110). Quoting from the minutes of the Coalition's meeting on September 20th, 1991, the chairman disclosed that 'the group was adamant that it would not allow the workers' agenda to be distorted by extraneous open or hidden programmes. The planned demonstration of September 25th, 1991 was abandoned. The next workers' march saw us all united and working together as we always intended to do' (ibid).



In response to the government's austerity reforms the Coalition tabled alternative strategies which, inter alia, called for: a 'review of the tax structure, the option of voluntary retirement, a wage freeze, reduction in the salaries of ministers, suspension of fees for members of boards of schools and statutory corporations, divestment of some state assets, a review of concessions, and improved efficiency in tax collection' (BUT 1992:20). They also proposed that the 8 per cent salary reduction for public servants be considered as a loan, and should be secured as a bond issue (ibid). This was countered by the government which, though agreeing, suggested that the bonds should be redeemable after 10 years at an interest rate of 2 per cent for the first five years and 1 per cent for the latter five (Barbados House of Assembly, September 17th, 1991: 979. The Coalition rejected this counterproposal on the grounds that public servants should be offered a more attractive bond agreement (Barbados House of Assembly, September 17, 1991: 979; BUT 1992: 21).

Negotiations and discussions were long, drawn out and marked by much contention. In these talks the Barbados Christian Council (BCC), headed by Monsignor Harcourt Blackett of the Roman Catholic Diocese of Barbados and Bishop Rufus Broome of the Anglican Diocese of Barbados, played a pivotal role in breaking the stalemate between the government and the unions, resulting in the unions returning to the negotiating table after initial discussions had had broken down (Trotman 2004). This was achieved through separate discussions with both entities and also through the BCC's presence at meetings (former General Secretary, Barbados Union of Teachers and Parliamentary Secretary, Prime Minister's Office interview 2012).

After much dialogue the Coalition, which vigorously defended its position and represented the several interests of its members, realised that its efforts were in vain without the support of the private sector and other civil society organisations. It, therefore, 'formed a strategic alliance with

capital ... embraced the church's views in a social response (and) engaged the political arm of the community' (Trotman 2004: 103).

Eventually, the three sides, in a spirit of compromise and for the national good, decided to set aside self-interest and put the country first, giving birth to a tripartite social partnership that comprised the Coalition of Trade Unions later referred to officially as the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB); the Barbados Private Sectors Agency (BPSA) and the Government. For all intents and purposes, this social partnership was forged in the crucible of conflict and exigency.

It should be noted, however, that at that juncture the relationship between the entities was not an easy one. There was much distrust to go around. Members of the Barbados Workers Union and the Barbados Union of Teachers were still sceptical regarding the true intentions of the private sector and its agenda. This distrustful and uneasy relationship was alluded to by one private sector representative who noted that the initial relationship between all three entities 'could only be described as adversarial and antagonistic' (Goddard 2004: 96).

Nonetheless, what kept the social partnership together was a spirit of patriotism exhibited by each entity. As the private sector head put it: 'we realised that we would have to submit once more on our pragmatic inclination and on our great love for our country' (Goddard 2004: 95). He further divulged that 'organisational interests had to give way to national interests, it had to be Barbados first and foremost' (ibid: 97). A similar sentiment was also expressed by the Barbados Workers' Union head who remarked that 'the unions sought to convince everyone that our people, especially our youth, are our greatest asset, and our goal is to preserve that asset during the crisis so as to be able ... to rebuild Barbados' (Trotman 2004: 106).

In the same way, the BUT president also believed that a national effort was required to sustain the country's development and the social partnership was the instrument for achieving this (BUT 1994). As was also explained by a senior government official, a patriotic perspective prevented the partnership from falling apart (former Senior Public Officer, Prime Minister's Office interview 2013). This resolve, which was imbued in the principal actors and their constituents, transcended party, class and colour, and it also emanated from a survivalist mentality (ibid). The social partnership was accepted as 'a survival strategy, as a form of domestic existence. You did not have any other option but to embrace cooperation and collaboration for national survival' (ibid).

Out of necessity, therefore, and the need to address the country's economic crisis in a meaningful way, the workers and employers' associations came together with the government to address the problem and to find a joint solution. Traditionally, labour and capital being in dispute and constantly opposing each other was the norm. However, the crisis created an environment where both entities realised the importance of working together. The unions recognised that assistance was needed from the employers to keep prices low or from increasing, and the employers needed the unions to keep wages reasonable or from increasing (Trotman 2004; Goddard 2004).

The threat of a structural adjustment programme that would impact all and sundry created national concerns and fears that the country's fixed exchange rate of US\$1 to BDS \$2 could be devalued (former Permanent Secretary, Ministry of Finance interview 2012). For public servants, especially teachers, there was genuine anxiety regarding retrenchment, since both the Fund and the Bank had previously expressed concerns about the government's wage bill. For the private sector, there was a fear that the traditional protection and concessions which it received from the

state would be removed or significantly reduced as in other Caribbean territories where governments were pressured into further liberalising trade.

On October 24th and on November 4th and 5<sup>th</sup> 1992 the unions as well as the employers' associations and organisations, churches, community groups and civil society organisations, such as the Barbados Association of Retired Persons (BARP), the National Organisation of Women (NOW), and professional bodies, organised mass protests in the City of Bridgetown (Trotman 2004; BUT 1993). Together, these organisations and groups protested against the government's austerity measures. The protests and the alliance between the union and the private sector had the effect of returning the social partners to the negotiation table with the IMF and the World Bank representatives.

Earning a place at the negotiating table was, however, not an easy task and the social partnership had to fight for recognition. It was disclosed by the head of CTUSAB that he was 'forced to use (his) office as the President of the International Confederation of Free Trade Unions for the IMF to acquiesce to a meeting ' (Trotman 2004: 105). It was further pointed out that both he and the President of the Barbados Secondary Teachers' Union met formally and informally with the IMF mission leader; and he believed that this meeting proved to be the catalytic turning point in the economic crisis, and which in turn placed Barbados on the path to economic recovery (ibid). This breakthrough he attributed to the head of the Barbados Secondary Teachers' Union who 'said something to the IMF mission leader in what apparently was her native language, German; and suddenly that broke the ice. She gambled on labour and we won' (Trotman 2004:105).

That bit of happenstance apart, it took more persuasion to convince the IMF team that devaluation was not in Barbados' best interest. The Fund was, for a time, convinced that

devaluation, large-scale retrenchment in the public sector, a reduction in the education and health budgets and the introduction of user fees to the education and healthcare sectors were the best policies for economic recovery (Trotman 2004). CTUSAB was also aware that international financial institutions did not meet or negotiate with unions or the private sector, but it made this 'a condition of our willingness to help the government' (former President, Barbados Secondary Teachers' Union interview 2012).

The social partnership was, therefore, charged with the task of presenting to the IMF an alternative strategy to devaluation and further public service retrenchment. Since these two strategies were rejected by the tripartite, the next available option was to pursue the path of a prices and incomes policy (former Permanent Secretary, Ministry of Finance interview 2012). However, the private sector and the unions initially had different opinions about the purpose and role of the incomes policy. It was observed that in earlier talks with the Minister of Finance the private sector was keen on a wages freeze as an integral part of a proposed prices and incomes policy. In contrast the unions wanted prices to remain fixed or controlled as the main feature of the prices policy. However, while the private sector obviously favoured the former, it sought to apply the latter as a voluntary option (Barbados House of Assembly, March 31, 1992: 1819). This was quickly rejected by the unions. Added to this, a previous BUT president revealed that 'the private sector and the government were initially suggesting an incomes policy, but this was challenged by the unions who met with the private sector first and told them that (they) would never support an incomes policy without an accompanying prices policy being in place' (former President, Barbados Union of Teachers and Minister of Education 2012).

Interestingly, it was an IMF official who addressed this apparent stalemate by putting forward the idea that 'each of the social partners should agree to surrender something in order to find a

means of persuading the IMF that Barbados' alternatives to their structural adjustment programme could be accommodated' (former President, Barbados Secondary Teachers' Union interview 2012). He used the benefit of his experience with the Mexico crisis to persuade the social partners to adopt an attitude of compromise in an attempt to formalise the prices and incomes policy (ibid).

It is acknowledged that this situation was not unique to Barbados, and neither was it an unusual practice for the IMF. According to Bartilow (1997) in his assessment on adjustment lending in the Caribbean, this gesture of goodwill is a strategy sometimes employed by the IMF and the World Bank to build political consensus and political consolidation. It is done to ensure that the adjustment programme is fully supported by the key bureaucratic and political elites (Bartilow 1997: 8). He posits the view that adjustment lending is not only dictated by economic considerations but that 'consensus building strategies seek to promote shared political support for adjustment both within and outside the state' (ibid). This is a negotiating technique used by the Fund to pacify national opponents and to stabilise the political climate to prevent governments from abandoning the programme (Bartilow 1997).

It has been argued before that in other welfare states like the United Kingdom, the country could only be competitive internationally when consensus is reached between the unions, employers and the government (Charter *et al* 1981). This, however, proved very challenging in Britain during the 1970s, resulting in all parties abandoning an incomes policy (ibid). Part of the reason for the discontinuation of that policy was as a result, to some degree, of the union's suspicion of the employer's motives for pursuing the initiative (Mayhew 1981: 32). Reflecting on this period, Ken Gill, the then General Secretary of the Amalgamated Union of Engineering Workers in the UK, observed that the unions get nothing out of the deal because, despite wages being reduced or

frozen, there are no improvements in the social provisions to provide a safety net or to make up the shortfall from reduced incomes (Gill 1981: 180). He contends that an incomes policy works to the disadvantage of the labour movement since, in the British experience, they did little in the way of reducing inflation, alleviating poverty, reducing unemployment and enforcing price controls (ibid).

Thus, the cons outweigh the pros for labour and the incomes policy is perceived as a short term strategy with no real long-term benefits for either side, but particularly for the workers. Wages are always portrayed as the source of all a country's economic woes, especially their impact on inflation and the trade unions have been deliberately targeted as being responsible for a nation's economic problems, while the private sector operates unregulated since 'governments tend to control the activities of trade unionists but not those of company directors' (Gill 1981: 185).

A similar analysis can be applied to Barbados with regard to the actual contribution of the Protocol for the Implementation of the Prices and Incomes Policy to that country's economic growth. Without downplaying the important role which the Protocol played in promoting and generating social dialogue, as well as circumventing civil unrest and the devaluation of the Barbados dollar, it must be noted that it was initiated after other policy measures were introduced. The Protocol came into force in 1993 when economic recovery was on the horizon, after the stabilisation programme was well underway, and after a programme of fiscal and monetary restraint was introduced. It must, however, be credited with ensuring that the social sectors, particularly the education and health sectors, were protected.

Austere economic programmes require political will to see them successfully implemented since they need to overcome the resistance that they inevitably generate. It requires commitment on the

part of all key stakeholders. The IMF demonstrated in Barbados, as it has done in the past in cases like Guyana, Jamaica and Grenada, that it can work to influence the political commitment of stakeholders to the adjustment measures, by relaxing or negotiating various aspects of its conditional loan agreement (Bartilow 1997). In the end, through the efforts of the social partnership, using a supposed prices and incomes policy the government 'agreed to limit layoffs, not to increase taxes and to appoint/promote temporary public officers ... In return, the private sector agreed not to increase their prices unless landed costs went up ... (and) the unions agreed to a wage freeze - unless there was an increase arising out of a proposed productivity payment' (former President, Barbados Secondary Teachers' Union interview 2012).

The prices and income policy was laid in Parliament on August 24th, 1993, as the Protocol for the Implementation of a Prices and Incomes Policy 1993-1995. It was signed by the Government whose signatory was the Prime Minister, Sir Lloyd Erskine Sandiford, the Congress of Trade Unions and Staff Associations whose signatory was its President and General Secretary of the Barbados Workers' Union, Sir LeRoy Trotman and by the head of the Barbados Private Sector Agency, Sir John Stanley Goddard (Barbados House of Assembly, August 24, 1993: 3909).

The key objectives of the Protocol included 'a commitment to maintaining a fixed exchange rate of BD\$2 to US\$1; the expansion of the economy through competitiveness; the promotion of access to employment; and a reduction in the incidence of social dislocation caused by high unemployment' (Fasohyin 2001: 28). The government also agreed to fill outstanding vacant positions in the public sector. As with most labour agreements in Barbados, the Protocol was a voluntary accord and, therefore, was not legally binding (ibid). It had no penalties attached for noncompliance, and this was attributed to 'the goodwill, trust and mutual respect that had been established between the parties during the negotiation process' (Trotman 2004: 95).



The agreement followed the long tradition of collective bargaining in Barbados, which, as noted by the Ministry of Labour, has 'over the years (taken) a gentleman's approach (and) has worked well for the country' (Codrington 1998: 44). Despite this, the protocol did have a few incidences of non-compliance such as the increased cost of some goods and services, as well as increased payment for some professional services. However, it was noted that 'the incidents of rising prices never reached a level as to pose a threat to the Protocol' (Goddard 2004:98)

The agreement was hailed by all partners as a success. It was perceived as one of the key elements within the structural adjustment programme which contributed to Barbados' economic recovery from 1993 (Goddard 2004; Sandiford 2004; Trotman 2004). Specifically, it was acknowledged that the work of the social partners and the implementation of the Protocol assisted in: bringing down inflation to 3 per cent by 1995, reducing the unemployment rate from 21.9 per cent in 1994 to 9.8 per cent in 1999 and promoting an annual growth rate of 4 per cent from 1993 (Fashoyin 2001: 28).

Over and above the painstaking negotiations and doggedness of the main actors in concluding the landmark agreement, one of the crucial factors was the role as well as the assertive and single-minded focus of the labour movement in the whole matter. Particularly the combined force of the teachers' unions, whose stoical presence and eventual involvement in the negotiations were born out of a desire to secure the hard-fought gains consolidated over many years of struggle. Their participation bolstered the government's stance in relation to the central role education plays in Barbados' development, in the face of dissimilar views that have been espoused by the international financial institutions.

History has shown that in many cases a country's unwillingness to introduce IMF imposed austerity when its economy is floundering or is in crisis is linked to the lack of political support within its Cabinet and from the wider civil society. Haggard and Kaufman (1989) assert the view that 'incumbent governments will grow increasingly reluctant to impose unpopular measures as their tenure of office becomes shorter and/or less secure' (Haggard and Kaufman 1989: 239). This might have been true of the Prime Minister who lost a vote of confidence in 1994 and whose political party was defeated at the election polls that same year.

Another salient dimension in Barbados' favour at the time merits special mention as well. It was acknowledged that the global criticism and internal crisis affecting the IMF worked to Barbados' advantage. It appeared to the President of the BSTU that Barbados provided the Fund with an opportunity to try a vicariously fashioned approach to improve its global image (former President, Barbados Secondary Teachers' Union interview 2012). Likewise, the BUT advanced a similar view noting that there were changes in the composition of the World Bank and IMF teams, with more women and diverse nationalities, from the global South (former General Secretary, Barbados Union of Teachers interview 2012). These changes were perceived as helpful in the negotiations as the teams appeared more understanding and amenable to the social partnership alternative policy suggestions.

Although this was Barbados' first attempt at a prices and incomes policy it was not the country's first incomes policy. It had, in the past, been put forward as the only effective tool for managing its balance of payment crisis in the late 1970s (Blackman 1979: 19). Barbados' first Central Bank Governor over 30 years ago had advocated from very early the need for an incomes policy in small open economies like Barbados (ibid). He sensed that an incomes strategy supports monetary and fiscal policy by reducing inflation, improving competitiveness, containing public

expenditure and reducing imports, while at the same time restraining disposable incomes and creating price stability (Blackman 1989: 42). In observing the relative success of incomes policies in small Western societies like Finland, the then governor foresaw them as a viable strategy for small island states, like Barbados (ibid: 44). An incomes policy was, therefore, considered crucial to the maintenance of a stable exchange rate, especially for the Caribbean region with its dependent, resource limited, open economies. It was seen as the only viable alternative to controlling wages, and as a continuous process of 'dialogue and negotiations between the government, businesses and labour unions' (Blackman 1989: 46).

The Barbados case demonstrates the importance of social dialogue in creating national consensus and the need to have the entire national effort dedicated to economic recovery and the maintenance of social development. Social dialogue was needed to stabilise the growing unrest in the country towards the adjustment measures (Fashoyin 2001:21). The social partnership has been put forward as 'an indispensable mechanism for finding the appropriate balance between voluntarism and socially acceptable regulatory measures' (Fashoyin 2001: 58).

Several key domestic actors came together to address one problem and to find a joint solution, and while the history of incomes policy might be riddled with failures (Brewster 1969), there are a few cases, of which Barbados is one, where it has succeeded. The tripartite social partnership provided the country with its only defensive mechanism against the demands and challenges of economic globalisation. Convinced and satisfied with its performance, the tripartite social partnership has remained, thus far, a feature in Barbados' social and economic development. Since the signing of the first Protocol, there have been six other Protocols. They have evolved from focusing solely on social and economic problems during the crisis to reinforcing the economic gains made as a result of the tripartite social alliance, and maintaining the commitment

to sustain and strengthen the partnership (Fashoyin 2001: 21). As with Barbados, the social partnership has demonstrated its resilience in the face of the changing and challenging global tides and in the midst of scepticism.

The role of trade unions once again came to the fore as the effects of neo-liberal policies threatened to dismantle the welfare state. They have created, through coalitions and strategic alliances with capital and the government, new ways of responding to severe economic challenges and resultant social dislocation. Social partnerships have created a new role for trade unions within the framework of economic globalisation; providing a crucial part for them to play in stabilising and sustaining the welfare state in recessionary and reform periods.

The teachers' unions, in particular, have found that, over time, collaboration with other unions and civil society organisations does not mean an erosion of autonomy, but a source of strength. Unlike in the previous decades where they acted singularly on most occasions, the severity and intensity of the 1990s structural adjustment measures meant that the education sector was no longer off limits to the onslaught of neoliberal policies. Instead, they learnt that within the new political economy they can no longer 'continue to work alone, separate from the rest of the labour movement as a whole' (Compton 2008: 214). Joint efforts and initiatives were required to confront those institutions imposing neoliberal agendas on a Small Island Developing State; and the social partnership became, in this regard, a countermovement.

Overall, the entire 1990s structural adjustment programme in Barbados demonstrated that the sustainability of the welfare state in times of deep economic crisis requires national consensus from both organised labour and the private sector. It also demonstrates that neo-liberal policies can be successfully challenged at the national level. In hindsight, former Prime Minister

Sandiford (2004) also noted that this consensus was crucial to maintaining the country's social and economic development model.

It should also be noted that while the education budget was reduced by 10 percent, it maintained its dominance over the government's budgetary allocations. This occurred because all sectors received the 10 percent cut and from what remained of the government's expenditure, the education sector still received the lion's share. Therefore the government maintained its financial commitment to the sector. However, it was reshaped with the introduction of user fees for school meals and increases in bus fares for students on public transportation as well as increases for textbooks provided at the schools. Moreover, the reduction in the education budget affected the quality and delivery of education, with reduced teaching supplies and materials and school plants in dire need of repairs. The figures presented at appendix 8 provide a detailed review of the government's expenditure by sector from 1977 to 2006, while appendix 5 provides the percentage of total government expenditure by sector for the same period. These figures serve to reiterate and support the claim that the government's financial commitment to education remained.

## **7.6 Conclusion**

This chapter highlighted the impact of the structural adjustment programme on welfare states in the 1990s which challenged the government's commitment to its social democratic ideology. Through an analysis of the Third World Bank Education Project loan and the economic and political conditions which the loan was negotiated under and the implementation of the Second World Bank Education Project, the chapter identified those forces and factors which sustained the continued existence of this ideology in Barbados' development model. Likewise, it also

revealed the forces and factors which threaten its survival. Analysis of the data presented on this period revealed that those forces which threatened the continued influence of social democracy on the education system in Barbados were chiefly the IMF and the World Bank through their stabilisation and structural adjustment programme and project loan negotiations, respectively. It specifically demonstrated how the adjustment programme weakened political stability and social cohesion in the country. The programme focused on staff retrenchment in the public sector, the privatisation of parastatal organisations, increasing trade liberalisation, deregulation and reduced state expenditure in all areas, even the highly contested terrain of education.

In response to these impositions and threats the teachers' unions, working closely with the other established organised labour movements, acted as a countermovement and challenged any further imposition on the education system and the workers' wages and benefits. The data presented here confirmed previous analysis of the welfare state which advanced the view that the labour movement is still very relevant as it relates to the continued existence of welfare states and serves as a formidable counterforce (Garrett 2001; Rudra 2002). It is as relevant in the contemporary period as it was in previous times. The chapter also confirmed that the labour movement can successfully confront neoliberal imposition through greater national regional and international collaborations. The information and support provided by the Caribbean Union of Teachers and other unions in Latin America and North America helped to strengthen the efforts and impact of the labour movement.

The events of the 1990s however proved to be very different from the previous decades of the 70s and 80s. The Barbados economy was still recovering from the economic recession of the 1980s and the stabilisation reforms imposed by the IMF. In the education sector the teachers' were still challenging the World Bank's suggested education reforms which called for the student

to teacher ratios to increase, for the size of the teaching service to be reduced and for teachers' salaries to be frozen (World Bank 1995). In the 1990s the economic recession and the accompanying adjustment programme were so intense and widespread that neither could the social sectors be protected by the unions nor the commercial sectors by the private sector unless the two worked together. Through the development of the Protocol for the Implementation of a Prices and Incomes Policy 1993-1995 the private sector, the government and the trade unions under their coalition organisation, the Congress of Trade Unions and Staff Associations of Barbados, joined forces to effectively challenge both the Bank and the IMF.

The end result of this was that although the social democratic welfare state model remained in Barbados it was shaken and reshaped by the events of this period. The government's financial commitment to the education sector waned under pressure from the IMF which resulted in a 10 percent budgetary reduction to the sector. It took the combined efforts of the unions to stem any further reductions. What has been revealed in this chapter is that the social democratic welfare state model is not static, it has been transformed by the new realities of the global economy in which it operates.

The findings put forward here confirm Polanyi's previous analysis of market forces and society's response to them. The countermovement described by Polanyi (2001) is observed in Barbados' reaction to the IMF's structural adjustment programme. All entities came together demanding protection from the impact of market liberalisation on society. As the market further encroached on the society, not only affecting its opponents, in the case of the teachers' unions but also its proponents in the private sector, these groups collectively called on the government to address the situation. Once again the situation in Barbados demonstrated that there is always room to express agency and this occurred through the formation of CTUSAB and the establishment of the

Prices and Incomes Policy which acted as a countermovement. Through this unification and the activities that followed, the thesis' main themes of consensus, resistance and conflict re-emerged and are reinforced.

The chapter specifically highlights the conflict which surrounds neoliberal policies purported by IFIs and showed how they destroy national consensus but in the midst of this conflict social cohesion can be restored and these policies resisted. The strength of historical relationships and associations come to the fore to cement national consensus as many stakeholders opined that national development was paramount.

These findings and those of the previous chapters are summarised in the next chapter which concludes the study. It examines the implications of these findings for further studies on welfare state models and the influence of historical factors and considerations.



## **Chapter 8**

### **Thesis Conclusion**

Located within the discourse on the survival of the welfare state model within the neoliberal era and its consequential impact on social spending, this study noted that there was a dearth of information on welfare states in the developing world. Actually, scholars are often sceptical about the application of social democratic principles in developing countries since, although desirable, their slow economic growth and unstable political conditions make them appear as unlikely to adhere to its principles (Rudra 2002; Wibbels 2006).

Nonetheless, there has been some research undertaken in this area, even though limited in scope, to fill the gap. Most of this research has focused on Latin American and African countries (see the discussion in Chapter 2); and even less has been conducted on the Small Island Developing States, especially the case of the Easter Caribbean. To date, however, it still remains a neglected area of inquiry.

To the best of my knowledge, apart from this thesis, no detailed investigation has focused specifically on the impact of neoliberal policies on the social sectors in these small and very open, vulnerable economies; and neither has any extensive research sought to explain those factors (external and internal) which have influenced their social spending; that is the socio-political and economic historical factors. Through the case study of Barbados, this thesis has, therefore, contributed to the research on Caribbean small island welfare states, and developing countries in general.

The thesis' aims and objectives as well as its findings and contributions are presented in seven sections below. Section 8.1 provides a review of the thesis' central research problems and the subsequent research questions, while section 8.2 presents the research findings, followed by section 8.3 which examines the key themes that emerged from the findings. Section 8.4 focuses on the study's limitations and section 8.5 highlights the thesis' contribution. Future studies are examined in section 8.6, while section 8.7 provides concluding remarks.

### **8.1 Reviewing the Thesis' Central Research Problem and Research Questions**

The impact of neoliberal policies on social spending in the Small Island Developing State of Barbados was examined through an analysis of the education system. The education system in Barbados is seen as pivotal to the island's development. It has been identified as one of the key factors responsible for transforming the country from a predominantly agricultural society, which was based solely on sugarcane production, to a service oriented one heavily dependent on tourism and offshore and financial services (Bishop et al, 1997; Howard 1992).

The education system, having once been selected as a tool for social control in the pre-independence period to keep the labouring masses tied to the sugar plantation, through the adoption of social democratic ideology at the time of independence it became a mechanism for social mobility and contributed to a growing middle class (Harrison 2011; Hoyos 1974; Layne 1994). With the attainment of independence and a government decision to make education free at all levels from the point of delivery, it moved from being perceived as a privilege for upper and middle class children to a right for every Barbadian child (Shorey and St.Rose 1996).

The education system in Barbados has been credited with improving the livelihood of Barbadians and the country's overall social and economic fortunes (Layne 1994; Dann 1984;

Meek and Lindall 2011). As indicated previously (Chapter 1), Barbados has consistently ranked high on the United Nations Human Development Index and its GDP per capita was registered at US\$ 22, 794 in 2010 (UNDP 2010; ECLAC 2001).

Having noted that the education system has been central to Barbados' social democratic welfare state development model, an investigation of the impact of neoliberal policies on this model through an assessment of the education sector was perceived as providing the ideal analytical platform for analysing its sustainability. Specifically, the study's central research problem asked: what are the factors and forces which sustained the social democratic welfare state model in Barbados despite changes in the global economy which favoured neoliberal policies promoted by the World Bank and the International Monetary Fund? As noted in Chapter Four this sustainability is measured through the government's financial commitment to the education sector. The education sector was assessed via three World Bank funded education projects from 1974 to 1994 during turbulent economic conditions that required assistance from the IMF. These recessionary periods were selected because this is when developing countries are said to be at their weakest, resulting in a heavy reliance on international financial institutions which makes them easily penetrable by external forces and ideology, in this case neoliberal ideology.

Therefore, in measuring the sustainability of Barbados' social democratic welfare state model in recessionary periods, the thesis had three main aims. These were:

1. To contribute to the current debate within the international political economy on the survival of social democratic welfare states;
2. To address the dearth of information on Small Island Developing States (SIDS) in relation to social democratic principles, and

3. To examine the factors that maintained social democratic welfare policies in SIDS and the forces that influenced their survival between the periods 1974-1994.

This led to the development of the five research questions that guided the thesis' data collection and overall research process. The questions were:

1. To what extent did international financial institutions, specifically the World Bank and the International Monetary Fund, impose their policy prescriptions on Barbados during the negotiations for funding the education projects of 1978, 1986 and 1993?

2. What degree of flexibility in the negotiations of these agreements with the World Bank and the International Monetary Fund did the government of Barbados possess?

3. To what degree did the recessions of 1977/78, 1982/83 and 1991/1992 affect the government's financial commitment to the education sector?

4. What role did the teachers' unions (the Barbados Union of Teachers and the Barbados Secondary Teachers' Union) play in ensuring the government's financial commitment to primary and secondary education?

5. In what way did the teachers' unions constitute a challenge to the imposition of the conditionalities of the IMF and World Bank agreements of the 1970s, 1980s and 1990s?

The study has answered these questions through the application of a mixed-methods approach, examining statistical reports (the annual budgetary estimates of expenditure and financial reports) and administrative files and public documents, such as national development plans, Hansard reports, World Bank and IMF loan agreements, and semi-structured elite interviews. This approach provided a recount of several key issues, factors and forces which influenced the

Government of Barbados' social spending in the post-independence period. The findings produced through the data collected have been presented in chapters 5, 6 and 7 of this study.

## **8.2 Research Findings**

It has been claimed that the welfare state model is unable to survive in developing countries because of their over reliance on IMF stabilisation and structural adjustment programmes and when faced with economic difficulties they are powerless and have no room to exercise agency (Wibbels 2006). The case of some middle-income developing countries however, reveals a different story. This study's findings revealed that the model's existence has continued and that countries can exercise agency in their negotiations with both the World Bank and the IMF, even in weakened financial environments. It has also highlighted the importance of domestic actors, specifically the trade unions and technocrats, when governments are weakened by adjustment programmes.

This study has shown that between 1974 and 1994 the Government of Barbados, primarily through the actions of its teachers' unions and the electorate, sustained its high level of social expenditure on education in comparison to the other sectors both commercial and social. Although under the stabilisation programme the education budget was reduced by 10 percent in 1982 and again in 1991 under the IMF's structural adjustment programmes, the sector still maintained throughout the period under investigation its prominence in terms of budgetary allocations (see Appendix 5).

The colonial influence on the social and economic development of Barbados, which resulted in the application of social democratic ideology to social policy and planning in Barbados, is still very evident in the contemporary period. Similarly, the socio-political importance of education

and by extension the programmes attached to the social democratic welfare state model have continued. This of course confirms Rudra (2002) and Pierson's (1996) assessment of the electorate's growing familiarity of social programmes after they move from a privilege to a right. When this occurs the electorate is prepared to resist and confront any entity or individual who seeks to take them away or reduce them. In this study the entities being challenged were the IMF and the World Bank and at times the Government of Barbados.

An assessment of the education system in Barbados during the negotiations with both the IMF and the World Bank illustrates the case of agency; agency in the politics of negotiations and the politics of austerity and adjustment. The study's findings revealed therefore that for neoliberal policy impositions to be effectively challenged certain conditions must be present. These conditions in the case of Barbados include national consensus and social cohesion along with the presence of competent technical staff in the public sector.

This research therefore supports the position of scholars (Kiely 2002; Stevis and Boswell 1997) who assert the view that resistance is not futile and there's always room to exercise agency. It has been proven, through the data provided in this thesis, that the conditionalities attached to structural adjustment programmes can be tailored to local needs.

The role of domestic actors has also been underscored throughout the research, highlighting their importance and significance in the negotiation process. In Barbados throughout the decades of the 70s, 80s and the 90s the continued existence of the social democratic model was not singlehandedly achieved by the government. In fact as it is pointed out in chapters 5, 6 and 7, the government was greatly aided by a consistent level of resistance to the IFIs strictures, and the consequential austerity policies, from a militant trade union movement and a wide spectrum of

the electorate. The research data demonstrates that as the economic situation grew increasingly dire the government waned in its commitment to the education sector and the unions stepped in to defend the sector.

### **8.3 The Emergence of Key Themes**

From these findings, the themes of conflict, consensus and coalition building and resistance and resilience emerged. Although there are presented here separately, each theme is by and large interrelated, particularly the theme of conflict and consensus, where one observes that the ideological clash between the government's social democratic principles and the neoliberal perspective of the World Bank and International Monetary Fund, forced the various sectors in Barbados to build a coalition and to use the national consensus on education and by extension the social sectors to challenge these two principal IFIs. This consensus on national issues has been identified as one of the main factors in the continuance of Barbados' development model. Each of these themes is addressed in greater detail here.

#### Conflict

As it relates to conflict, the ideological battle between the proponents of social democracy and their neoliberal opponents is still alive and well. From the 1970s into the 1990s the Government of Barbados' adherence to social democratic principles has been constantly under attack by neoliberal opponents who perceived the model as a financial burden far beyond the country's economic capacity. Nevertheless, as Pierson (1996) has shown, even if governments wanted to stray from their commitment to these principles, as was the case of Barbados in the 1980s, the power of the electorate is such that they can place pressure on their governments to maintain high social spending despite external pressure from their creditors. In fact, an examination of

Barbados' annual estimates of expenditure demonstrates that there is a strong correlation between the election cycle and an increase in social spending (Government of Barbados Estimates 1979, 1982, 1993). Decisions or policies which were introduced to reduce or freeze expenditure are often reversed in the year before and during a general election (ibid). Likewise, a review of the election manifestos for the island's two main political parties reveals that, as it pertains to social spending, issues such as increasing educational provisions, housing, healthcare and transportation remain high on each party's agenda to entice potential support and appease party faithfuls (BLP 1976, 1981, 1986; DLP 1966, 1981, 1991).

### Consensus and Coalition Building

The theme of national consensus and coalition-building permeates the entire thesis. It is recognised as one of the key factors in sustaining the welfare state model in Barbados and was used as a bargaining strategy by the membership of the tripartite social partnership separately and individually during each crisis (Trotman 2004; Goddard 2004; Sandiford 2004). It is an essential factor, since research conducted on structural adjustment negotiations in other developing countries revealed that the absence of consensus among technocrats and the government, as the case of the Philippines showed, could result in the former undermining the latter to the country's detriment (Broad 1988). However, in the case of Barbados several factors worked together to create consensus and promote coalition-building. First, the island's two major political parties both claim to be social democratic parties (BLP 1981; Duncan 1986; Lewis and Nurse 1994). In fact, both of them, the Democratic Labour Party (DLP) and the Barbados Labour Party (BLP) are strong supporters of trade unions and have within their executive membership trade union leaders (DLP 1986; Mark 1966). Hence, within the country itself, there is little ideological divide between key political forces, which makes resorting to the government's



political opponents for support a favourable option for both the electorate and the labour movement. More importantly, political parties in Barbados have emerged from within the ranks of the trade union organisations. In fact, it has been argued that in the Caribbean the trade unionist and politician are often one and the same (Lewis and Nurse 1994). This, of course, works in favour of the trade unions and the electorate. During periods of wage and policy negotiations the trade unions often align themselves with the opposition party, whether it is the DLP or the BLP, since either party supports their interests. Added to this, as the general elections of 1986 and 1994 revealed, the electorate urged on by the trade unions will punish any government at the polls who they perceive as straying from its commitment to social democratic welfare state principles.

Similarly, coalition-building serves as a very important and effective bargaining tool. As noted in chapter 7, structural adjustment programmes that are contrived by IFIs, which alienate and appear to militate against the broad interests of the masses, will not succeed in a SIDS like Barbados. Together, the government, the trade unions, civil society organisations including the church and the Barbados Association of Retired Persons, public and private sector employees and several private sector organisations, came together to put forward an alternative proposal to this oppressive measure and to stem any further undesirable policy initiatives from the IMF. Likewise, by forming a tripartite social partnership, various components of the IMF's structural adjustment package were resisted. Some have argued that this was easier in the case of Barbados than elsewhere because of the island's socio-political history, which has often witnessed union leaders, prime ministers and private sector leaders working together on the creation of national development policies and plans (Government of Barbados 1979, 1983a). Indeed, the Cabinet of Barbados has a long history of working with the private sector in formulating national policies

(ibid). In the same way, its trade unionists are often called upon to make input into policy initiatives. As noted above, trade unionists also sit close to the seat of power in Barbados and their influence is observed at all levels of governance. The government and the people of Barbados, through coalition building and national consensus, were able to successfully counteract external policies which they believed would have created political unrest, social dislocation and hindered economic recovery and growth. In the end, it was through the application of a home-grown solution, domestic institutional knowledge and the pre-existing socio-political history which they drew upon to resist neoliberal forces, that the country was able to avoid what could easily have been economic calamity ( see Chapter 7 for a discussion on this; Trotman; Goddard 2004). Once again, it highlights the relevance of the trade unions as a countermovement against neoliberal ideology.

### Resistance and Resilience

Under the theme resistance and resilience the continued relevance of trade unions as a countermovement is underscored. The research disclosed that during the period under review, with each recession the Government and people of Barbados were confronted with the usual neoliberal policies proposed by the IMF and the World Bank in the form of structural adjustment and sector project loans (Chapters 5 to 7). These policy measures called for public service retrenchment, deregulation, privatisation and devaluation (IMF 1982, 1991, 1993). For the education sector, the policy of retrenchment was selected through the call for greater efficiency in this sector. This was to be achieved by: increasing the student to teacher ratios and, therefore, reducing the number of persons employed in the teaching service; freezing teachers' wages; enforcing a hiring freeze in the teaching service; introducing a fee for educational supplies and services (such as school meals and textbooks); increasing the cost of bus fare for school children;

suspending teachers' training leave; eliminating specialist teaching positions from primary schools; and introducing user fees at the postsecondary level (World Bank 1978; 1993, IMF 1993; BUT 1992).

From an analysis of the data it showed that each one of these measures was resisted by employing various strategies. In the 1970s (Chapter 5) during its first negotiations with the World Bank, the Government of Barbados employed the tactic of sly civility, and through technocratic competence it was able to acquire the desired funding to expand the education sector while skilfully dodging the Bank's demand to increase the student to teacher ratios. This was achieved through two means: first, the government was able to foster consensus among its technocrats and the teachers' unions (the Barbados Union of Teachers and the Barbados Secondary Teachers' Union); and secondly, the technocrats within the Ministry of Education were able to challenge the Bank's officials on various procedural matters by producing evidence which supported their views on other areas of the project loan, particularly the presence of assembly halls in schools and the need for specialist teachers.

The teachers' unions however emerged as the main resistance force and they are identified in the thesis as being indirectly responsible for the education system's resilience throughout the period under investigation. They worked assiduously to win the electorate's support and at times partnered with civil society organisations to accomplish their members' legitimate goals. While in the 1980s (Chapter 6) they created alliances amongst themselves to challenge external forces, it was only in the 1990s (Chapter 7) that they saw the need to build coalition agreements with other civil society organisations, such as the respected Barbados Christian Council who broke the impasse between the Government of Barbados and the trade unions. This collaboration resulted in the unions abandoning their past ad hoc alliances in times of crisis to the formation of a

permanent bargaining body - the Congress of Trade Unions and Staff Associations (CTUSAB). This of course reiterates Kiely (2002) and Stevis and Boswell's (1997) view that in order to effectively challenge IFIs organised labour and anti-capitalist groups must engage in greater collaboration.

Resistance cannot be achieved alone, and it ties-in with the theme of consensus building, since effective opposition to neoliberalism requires national and international consensus on all fronts in order for it to be successfully challenged. The situation in the 1990s demonstrated that unions could no longer act singularly. As a former President of the Barbados Union of Teachers noted in Chapter 7 they received assistance from Latin American and North American teachers' unions and federations. This was not an issue unique to Barbados as there is evidence to suggest, at least in the teaching service globally, that there has been continuous resistance and collaboration throughout the global South over the last three decades (Weiner 2008).

These themes of conflict, consensus and coalition building and resistance and resilience are best understood through Karl Polanyi's (2001) work on resistance to unregulated markets. His concept of the double movement provided the framework for the thesis' analysis and understanding of the resistance to neoliberal impositions, and therefore explained the continued existence and indeed the sustainability of the social democratic welfare model in Barbados during this period. This conceptualisation of the resistance to neoliberal ideology and its accompanying policies can be used to further explain the presence of the welfare state model in some developing countries.

As witnessed in Polanyi's work, a market-based society would naturally resist and revolt against policies which threaten to destroy it. Polanyi reminds us that when under threat, society

inevitably took measures to protect itself (Polanyi 2001); and this evidently is what happened in the case of Barbados. Its teachers' unions acted accordingly as a countermovement. However, while he believed that resistance to liberal demands was primarily the responsibility of a government, Chapter 6 revealed that when enough pressure is applied governments sometimes abandon their positions in favour of capital over labour. National consensus, although not destroyed, was eroded, however new alliances were formed among unions which, although alienating the government, created accord among themselves and the wider electorate.

Polanyi's theorising, however, is best exemplified in the 1990s (Chapter 7) where it is observed that it was not only the workers and their union representatives that challenged the international financial institutions, but they also found an unexpected ally in private sector agencies. This was a situation that made strange bedfellows. Polanyi (2001) rationalised such an uncommon union when he explained that the unrestrained market eventually affects everyone regardless of their class or standing in society. In observing the situation in Barbados this is exactly what happened.

In summary, therefore, and as explained in the analytical chapters (Chapters 5-7) the strategies of national consensus, sly civility and resistance have helped to sustain the welfare state in Barbados. These are some of the calculated approaches which the Government and the people of Barbados through their representative civic bodies have used to ensure that the education system remained grounded in social democratic egalitarian principles.

#### **8.4 Research Limitations**

While providing much insight into the factors and forces that have resulted in the continued existence of Barbados' development model from the 1970s to the mid 1990s, some areas which require further investigation were not incorporated into the research. One exemption is that of the

voice of the teachers unions' rank and file. The research is told from the perspective of the executive, that is, from the leaders in Barbados (union executives, private sector leaders, senior technocrats and government ministers). It would have been ideal to have eyewitness accounts or testimonies of those persons intimately affected by the World Bank education projects, such as the classroom teachers and parents. However, the primary focus of the research was centred on the sustainability of the country's development model from the point of view of its leaders.

In addition to this, at the same time that the data was being collected the island's secondary school teachers embarked upon industrial action against the government. This also explained why one of the interviews was conducted over the phone and via email. Nevertheless, there is need for further research on the teachers' experience as well as those of other organisations and institutions in order to have a firsthand account of how the crisis, during the period under review, affected them.

In the same way, not all stakeholder groups were forthcoming, so I was not afforded the benefit of their role leading up to and during the negotiations. Groups such as the Barbados Association of Retired Persons as well as some members of Prime Minister Adams' Cabinet, although contacted, many of them were reluctant to even discuss the issue and their involvement. This of course might be related to the fact that the data was collected in a politically charged environment as it was the run-up to the general elections.

## **8.5 Research Contributions**

The thesis has succeeded in achieving its identified aims. It has contributed to the limited research which exists on developing countries, particularly Caribbean Small Island Developing States that subscribe to the social democratic welfare state model. Specifically, it has contributed

to the disciplines of Sociology (Sociology of Development and Sociology of Education), as well as International Political Economy and Development Studies.

In the field of Sociology, it has included the voice and experiences of Caribbean teachers representatives to the discourse on the impact of neoliberalism on education. Indeed, a parallel can be drawn from the experience of Caribbean teachers and their colleagues in the North. The research also provides the opportunity for comparative public policy analysis in developed and developing countries as well as among developing countries, with a view of learning from each other and utilising best practices.

As it relates to the fields of International Political Economy and Development Studies, the thesis has contributed to the general debate on structural adjustment negotiations in developing countries and the politics of recessions and austerity. More specifically, it added to the overall discourse on the impact of neoliberalism on social spending in developing countries and provided greater insight into IFIs negotiations with these states. The thesis debunked the neoliberals' refrain - TINA (there is no alternative) and instead demonstrated that this is more about rhetoric and not based on reality. It also revealed the continued relevance and need for trade unionism and coalition building strategies as possible forms of resistance against neoliberal impositions.

Finally, in relation to Development Studies, the thesis added to the discussion on the role of civil society groups in developing countries, and the need for their inclusion in the policy making process. More importantly, this field of study contributed the question of exercising agency in the global South, and showed that even though globally disadvantaged in terms of their influence

and their dependent state in the wider world economy, developing countries have the capacity, even if ever so slight, to exercise agency.

## **8.6 Future Studies**

The study serves as a platform for future and continuing research on developing countries and their emerging economies, specifically the political economy of small island states with a focus on the role and influence of domestic institutions and stakeholders in determining the continuation, expansion and viability of social expenditure in these states. Of particular interest would be their role in negotiations with IFIs. Since the thesis has highlighted their importance in informing public policy in Barbados, it gives leeway to investigate their relevance in other states for comparative study.

While this thesis examined Barbados' modern history, more empirical work needs to be undertaken on the contemporary period which focuses on the impact of the 2008 global economic crisis and recession on its social services and welfare provisions, in light of the heavy influence of the knowledge economy in determining social and economic growth. Similarly, this research can be expanded by including the impact of structural adjustment programmes and the responses to these policies on other social sectors such as healthcare, housing and welfare benefits.

## **8.7 Concluding Remarks**

Can the social democratic welfare state model be sustained in developing countries? The evidence clearly shows that it can and it has been sustained. In the case of Barbados, the government maintained its financial commitment to the model, but this was largely through



persistent resistance from the trade unions. In going forward, the question now is, how and in what ways can new strategies be devised to maintain the model and what existing ones can be tweaked and strengthened?

The democratic process in Barbados and other developing countries, on the whole, needs to be more open and inclusive, allowing other social actors to be involved in policymaking and negotiations. Such a combined skills-set can be used to strengthen their bargaining positions. In these negotiations, the use of domestic institutional knowledge is paramount. Developing countries must trust their local knowledge and institutions to craft an inventive path that is best suited to a vision of themselves, and not rely entirely on foreign prescriptions. Through the inclusion of domestic actors and stakeholders, national consensus can be strengthened to implement positive policy initiatives while eliminating handed-down one-size-fits-all remedies.

I believe this thesis has, therefore, served a dual-purpose of not only adding to the limited research on Small Island Developing States, but it has also reiterated the need for not just incremental but very scrupulous and structured social spending in developing countries. Such an ideological course should be pursued and defended in the interest of the broader development of these states, thereby creating a political ethos that would see the overall social wellbeing and prosperity overriding mere economic success which cannot be measured only in terms of the GDP.

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## Appendix 1

### Approved Budgetary Allocations for Primary and Secondary Education: 1979 -1990

Year	Programme	Actual Expenditure
<b>1979- 80</b>	<b>Pre-Primary, Primary, Special</b>	19,650,043
	Supplies and Material	75, 067
	Maintenance	782, 883
	<b>Secondary Education</b>	11,467,960
	Supplies and Material	19, 978
	Maintenance of Property	252 499
Year	Programme	Actual Expenditure
<b>1981- 82</b>	<b>Pre-Primary, Primary, Special</b>	25, 974, 806
	Supplies and Material	82, 164
	Maintenance	869, 156
	<b>Secondary Education</b>	14, 824, 825
	Supplies and Material	39, 878
	Maintenance of Property	349, 985
Year	Programme	Actual Expenditure
<b>1982 - 83</b>	<b>Pre-Primary, Primary, Special</b>	28, 082,023
	Supplies and Material	77,562
	Maintenance	854, 245
	<b>Secondary Education</b>	16,114,244
	Supplies and Material	34, 956
	Maintenance of Property	369, 840
Year	Programme	Actual Expenditure
<b>1984 - 85</b>	<b>Pre-Primary, Primary, Special</b>	32, 751,733
	Supplies and Material	56, 753
	Maintenance	921,886



	<b>Secondary Education</b>	26, 150, 839
	Supplies and Material	
	Maintenance of Property	
Year	Programme	Actual Expenditure
<b>1985- 1986</b>	<b>Pre-Primary, Primary, Special</b>	35,792,286
	Supplies and Material	67, 216
	Maintenance	920, 809
	<b>Secondary Education</b>	23,019,460
	Supplies and Material	
	Maintenance of Property	
Year	Programme	Approved Expenditure
<b>1986- 1987</b>	<b>Pre-Primary, Primary, Special</b>	39, 80, 938
	Supplies and Material	90, 000
	Maintenance	968, 043
	<b>Secondary Education</b>	38, 671,302
	Supplies and Material	
	Maintenance of Property	
Year	Programme	Actual Expenditure
<b>1987- 1988</b>	<b>Pre-Primary, Primary, Special</b>	44,116,038
	Supplies and Material	118, 715
	Maintenance	899, 930
	<b>Secondary Education</b>	42, 803,297
	Supplies and Material	
	Maintenance of Property	
Year	Programme	Actual Expenditure
<b>1988-1989</b>	<b>Pre-Primary, Primary, Special</b>	46, 226, 587
	Supplies and Material	50, 583
	Maintenance	749, 660

	<b>Secondary Education</b>	45, 656, 250
	Supplies and Material	
	Maintenance of Property	
Year	Programme	Actual Expenditure
<b>1989 -1990</b>	<b>Pre-Primary, Primary, Special</b>	49, 868,668
	Supplies and Material	40, 482
	Maintenance	1, 099, 069
	<b>Secondary Education</b>	48, 503, 2047
	Supplies and Material	
	Maintenance of Property	

Source: Government of Barbados Estimates of Expenditure 1979 - 1990.

## Appendix 2

### Barbados First Education Project Loan and Project Summary

Borrower: Barbados

Amount: US\$9.0 million

Terms: Payable in 15 years, including three years of grace at 7.35% per annum.

Project Description: The project aims to: enhance the effectiveness and efficiency of the education system; make possible the effective application of modern and relevant curricula; provide more equitable distribution of education opportunity; and improve cost effectiveness in the education system. The project provides assistance in institution building for management and execution of education programs; complements and strengthens existing programs for management training and advisory services to small scale enterprises; and introduces an in-plant workers' training program.

The project consists of:

(a) construction, furnishing and equipping of ten primary schools which will replace 5,880 existing student places in obsolescent schools;

(b)(i) construction, furnishing and equipping of expansion to six secondary schools to provide facilities for the teaching of practical courses for some 2,600 student places, of which 1,500 are additional and 1,100 are replacement places;

(ii) equipping and furnishing of a secondary school presently under construction;

(c) construction, furnishing and equipping of an expansion of Erdiston Teacher Training College to function also as a teacher training resource center for the continuing education of practicing teachers;

(d) construction, furnishing and equipping of an expansion to the Barbados Institute of Management and Productivity (BIMAP) to help establish an in-plant training program and advisory services to small scale enterprises;

(e) technical assistance to the Ministry of Education (MOE) for project implementation and to BIMAP for initiating the in-plant training program. The project entails no special risks except perhaps that the Government may initially encounter resistance in introducing targets for economic

class sizes and teacher student ratios. This resistance, if it materializes, is expected to be considerably diluted as the project allows the Government to move towards these targets on a stage by stage basis. i.e., the project schools as they are completed in 1980, 1981 and 1982 will be the first to introduce these norms: the rest of the schools will follow later.

#### Estimated Cost

(US\$ million equivalent)

	Local	Foreign	Total
Primary Schools	2.4	3.2	5.6
Secondary Schools	1.5	2.7	4.2
Teacher Education	0.2	0.4	0.6
Industrial Training	0.1	0.2	0.3
Technical Assistance	<u>0.1</u>	<u>0.3</u>	<u>0.4</u>
Base Costs	<u>4.3</u>	<u>6.8</u>	<u>11.1</u>
Contingencies			
Physical	0.4	0.7	1.1
Price	<u>0.8</u>	<u>1.5</u>	<u>2.3</u>
Total Costs	<u>5.5</u>	<u>9.0</u>	<u>14.5</u>

#### Financing Plan

(US\$ million equivalent)

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Bank	-	9.0	9.0
Government	<u>5.5</u>	<u>-</u>	<u>5.5</u>
Total Project Cost	<u>5.5</u>	<u>9.0</u>	<u>14.5</u>

#### Estimated Disbursements

(US\$ million equivalent)

Bank FY	1979	1980	1981	1982	1983
Annual	.1	.8	3.3	2.3	2.5
Cumulative	.1	.9	4.2	6.5	9.0

Source: Report and Recommendation of the President of the International Bank for Reconstruction and Development to the Executive Directors on the Proposed Loan to Barbados for a First Education Project, December 5<sup>th</sup>, 1978.

## Appendix 3

### Second Education and Training Project Loan and Project Summary

Borrower:	Government of Barbados
Beneficiaries:	Ministry of Education and Culture National Training Board/Ministry of Labor Training Administration
Loan Amount:	US\$10.0 million equivalent
Terms:	15 years, including 3 years of grace at the standard variable interest rate.
Project Description :	<p>The proposed Project would cover 90 percent of the Government's five-year investment plan in the education and training sector and would be financed, on a parallel basis, by the Bank and the IAB. The objectives of the proposed project are to:</p> <ol style="list-style-type: none"><li>(1) Improve the quality and cost effectiveness of primary and secondary education by: (a) amalgamating 21 small, uneconomic primary schools into 10 larger schools to obtain higher student-teacher ratios; (b) upgrading two existing secondary schools, equipping of a third existing secondary school and establishing one new secondary school with 1200 student places; (c) providing technical assistance (44 staff months of fellowships and 36 start months of specialist services) and training of about 1,500 teachers to improve (i) teaching of reading and writing in primary schools, (ii) textbook procurement and distribution systems, and (iii) testing and measurement practices; and (d) supporting a study to rationalize the teaching of special subjects in secondary schools;</li><li>(2) Improve the efficiency, quality, and industrial relevance of technical and vocational training by: (a) expanding the operations of the National Training board through the construction, equipping and furnishing of three new skills training centers and upgrading one existing center; (b) upgrading and expanding of training facilities at the Samuel Jackman Prescod Polytechnic and the Barbados community College and improving efficiency in the use of existing facilities; (c) improving the data processing capability of the manpower Research and Statistics Unit; (d) upgrading the training programs of the Training Administration Division; and (e) providing technical assistance (39 staff months of specialist services and 188 staff months of fellowships) for the upgrading of course syllabi, improvements in administrative and financial management procedures,</li></ol>

strengthening of the industrial advisory committees, industrial job analysis and follow up of on-the-job performance of graduates.

(3) Strengthen the institutional capacity to manage and plan the education and training system by financing: (a) technical assistance (26 staff months of specialist services and 26 staff months of fellowships) and training of 150 managers and 500 school teachers for improvement in (i) education planning and educational management, (ii) budgeting processes, (iii) school supervision practices, (iv) curriculum implementation strategies, and (v) educational materials production; (b) a study on the formulation of measures to achieve cost savings and greater efficiency in the utilization of education facilities and resources, as well as to address the issue of the additional recurrent costs that are expected to be generated under the proposed Project; and (c) the provision of adequate pedagogical and administrative facilities for the Ministry of Education and Culture.

**Risks:** No significant risks are associated with the technical implementation of the proposed Project. There are, however, potential risks: (a) economies in primary and secondary education may not be achieved unless the Government maintains a freeze on the hiring of new teachers in light of the decreasing population growth rate; and (b) difficulties may be encountered in meeting the incremental recurrent costs of the proposed Project. The latter risk would be minimized by the introduction of cost reduction measures recommended by the study to be financed under the proposed Project, the sharing of expensive facilities among schools and the adoption of measures to rationalize the selection of optional subjects taught in secondary schools.

Estimated Cost a/

Project Component	Local	US\$ Million	
		Foreign	Total
Primary Schools	4.29	3.57	7.86
Secondary Schools	3.51	3.31	6.82
S. J. P. Polytechnic	0.03	0.23	0.26
Barbados Community College	2.14	2.79	4.93
Institutional Strengthening of MOE	1.84	1.82	3.66
NTB Skills Training Centers	1.52	1.76	3.28
Manpower Research Unit	0.03	0.09	0.12
Training Administration	0.05	0.18	0.23
Project Implementation Unit	<u>1.82</u>	<u>0.12</u>	<u>1.94</u>
Base Cost (March 1986 Prices)	15.23	13.87	29.10
Physical Contingencies	0.84	0.71	1.55
Price Contingencies	<u>4.38</u>	<u>2.67</u>	<u>7.05</u>
Total Project Cost	<u>20.45</u>	<u>17.25</u>	<u>37.70</u>

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Net of Taxes and Duties estimated at US\$3.4 million.

Financing Plan

	US\$ Million			% of Total
	Local	Foreign	Total	
Government	10.70	0.00	10.70	28.4%
IDB	8.25	8.75	17.00	45.1%
IBRD	1.50	8.50	10.00	26.5%
Total	20.45	17.25	37.70	100.0%
%. of Total	54.2%	45.8%	100%	

Disbursements:

	Bank Fiscal Year (US\$ Million)							
	1986	1987	1988	1989	1990	1991	1992	1993
Annual:	0.15	0.81	2.06	2.79	2.24	1.21	0.53	0.21
Cumulative	0.15	0.96	3.02	5.81	8.05	9.26	9.79	10.00
% of Total	1.5%	9.6%	30.2%	58.1%	80.5%	92.6%	97.9%	100.0%

Rate of Return: Not applicable

Source: Report and Recommendation of the President of the International Bank for Reconstruction and Development to the Executive Directors on a Proposed Loan to Barbados for a Second Education and Training Project, April 17, 1986

## Appendix 4

### Barbados Human Resources Project: Loan and Project Summary

Borrower:	Barbados
Beneficiaries:	Ministry of Education Ministry of Labour, Consumer Affairs and the Environment Ministry of Housing, Lands, Community Development and Culture Ministry of Civil Service
Loan Amount:	US\$7.5 million equivalent
Terms:	15 years including a five-year grace period, at the standard IBRD interest rate.
Project Objectives and Content:	<p>The principal objective of the proposed IBRD project would be to strengthen the country's human capital base by expanding the availability of trained manpower. The specific objectives would be: (i) to strengthen the quality and efficiency of basic education, with a view to raising student achievement; (ii) to improve the effectiveness, efficiency and responsiveness of technical and vocational education and training (TVET); and (iii) to reinforce employment services and labor market information. To these ends, the project would include four components.</p> <p>The General Education Support Component (31 percent of total project costs) aims to reinforce the basic education foundation by improving the quality of services and raising internal efficiency. This objective is supported by both this project and a parallel IDB-funded operation. The upgrading of general education would be accomplished through the provision of: staff training; textbooks/reference materials and learning resources; infrastructure upgrading; and reinforcement of MOE institutional and policy development capabilities. Staff training aims to improve the quality of teaching, encourage use of information technology, and strengthen school management. The project would support the expansion of innovative and cost effective instructional strategies such as multi-grade teaching and school-based training. Assistance would also be provided to design, implement, and evaluate the Government's education reform and cost recovery programs.</p> <p>The TVET Development component (60 percent of total project costs) aims to increase the effectiveness of TVET programs through the provision of key inputs to the learning process (i.e., instructor training and</p>



earning materials, curriculum/program improvements and institutional reinforcement) and to raise efficiency through increased sharing of facilities, expanded use of program review/evaluation procedures, and introduction of user fees in post-secondary education. Responsiveness would be improved through the introduction of flexible curricula, enhanced capabilities to evaluate performance and to design/implement new programs, provision of incentives to post-secondary institutions to enter into training contracts with industry, and increased accountability of institutions. A new multi-certification level teacher training would be designed and implemented, curriculum development specialists would be trained, and materials, resources and fellowships would be provided, as well as support for selective TVET training programs for unemployed youths and civil servants, and for the establishment of a pilot industry service unit at the Barbados Community College. To reinforce institutional capabilities, support would be provided for the establishment of a TVET Policy Coordinating Council, which would, inter alia, elaborate policies and plans; establish performance targets; design an articulation manual; and advice on resource allocation. This component would also support the establishment of an Employment and Training Fund, under the auspices of the TVET Council, which would finance sub-projects supporting skills upgrading of unemployed workers and expanding in-company training.

The Labor Market Support Component (3 percent of total project costs) would provide assistance for computerizing the employment information and placement system and strengthening educational and occupational counseling at the National Employment Bureau, and for increasing the capacity of the Manpower Research and Statistics Unit to analyze and disseminate labor market information.

The Project Administration Component (6 percent of total project costs) would provide support for strengthening the Education Project Implementation Unit through consultant recruitment, purchase of equipment, and provision of training.

**Benefits:**

The principal benefits of the project are the quality, efficiency and equity gains. Reform of the national examinations and certification system would broaden educational opportunities and the design/introduction of cost and financing strategies would allow the Ministry of Education to cope with the challenge of increasing quality in light of growing fiscal pressures. The establishment of a Policy Coordinating Council would enhance policy, planning, and coordinating capabilities in the TVET sub-sector while the creation of an Employment and Training Fund would allow the Government to address the retraining needs of the labor force. Strengthened employment services would contribute to accelerating labor absorption and lowering unemployment benefits.

Risks:

The project faces the following risks: (i) uncertainty over the medium-term macroeconomic environment, which may adversely affect the availability of counterpart funding and the returns on education and training; (ii) the potential difficulties the Government may face in addressing politically and socially unpopular sector reforms, which may adversely affect various stakeholders; and (iii) the complex and broad scope of the operation. These risks will be mitigated by phasing the project over a 7 year period, seeking assurances on the timeliness of counterpart funding, supporting workshops aimed at generating a broad based consensus for policy reforms, and establishing an appropriate implementation framework.

Source: World Bank (1993) Loan Agreement (Human Resources Project) between Barbados and International Bank for Reconstruction and Development, August 18th, 1993. Washington, World Bank.

## Appendix 5

### Percentage of Total Government Expenditure by Sector 1977 – 2006

Year	General Public Service	Defence	Education	Health	Social Security Welfare	Housing and Community	Other Community	Economic Services	Other Purposes
1977	15	1	21	14	11	2	1	21	14
1978	16	1	20	13	12	4	1	19	12
1979	15	1	21	13	12	4	1	19	13
1980	15	2	22	14	6	2	0	26	13
1981	14	2	19	13	5	3	0	27	15
1982	16	1	20	15	5	2	1	20	34
1983	15	3	20	16	6	1	0	18	21
1984	16	3	22	16	6	2	0	19	17
1985	17	3	22	14	6	1	0	22	16
1986	15	3	21	15	6	1	0	22	18
1987	16	1	20	16	6	2	0	16	23
1988	17	0	20	15	5	2	0	18	23
1989	18	0	21	15	6	1	0	17	22
1990	15	0	20	15	5	1	0	17	27
1991	33	0	19	15	1	2	0	24	7
1992	49	0	16	13	0	1	0	22	0
1993	50	0	14	13	0	2	0	16	0
1994	48	0	19	15	0	2	0	13	0
1995	52	0	19	14	0	3	0	13	0
1996	57	0	17	14	0	3	0	9	0
1997	16	3	21	13	10	4	1	14	16
1998	17	3	23	14	10	3	2	14	15
1999	15	3	23	14	10	4	2	13	16
2000	18	3	22	14	10	4	2	13	16
2001	17	3	22	13	10	3	2	13	17
2002	16	3	22	14	11	3	2	13	16
2003	16	3	21	14	12	4	2	13	28
2004	17	2	21	14	11	4	2	15	15
2005	18	2	21	13	11	4	2	15	15
2006	18	3	21	14	11	3	2	12	16

## Appendix 6

### Interview Questions for Union Members (BSTU and BUT)

1. What impact did the project and the Bank's presence have on the education sector? (teacher training, amalgamation of schools, study tours, introduction of technical and vocational (TVET) classes in secondary schools)
2. Did the general teaching body accept the changes made by the World Bank projects or was there opposition towards them?
3. What impact did the IMF stabilisation programmes of 1982/83 have on the education sector?
4. The Bank noted that the Government abandoned its cost reduction targets and succumbed to social and labour union pressures to recruit a backlog of newly trained school teachers. Why did the union oppose the policy of increasing the student/teacher ratio?
5. According to the Bank the situation of employing too many school teachers was only partially rectified by efforts to dismiss teachers during the early 1990s as part of the stabilisation programme. How did the union respond to the measures taken by the IMF to reduce the number of teachers?
6. The main objectives of the World Bank's project included expanding the Barbados Community College, amalgamating schools by building larger ones, re-establishing the Curriculum Committee and expanding the secondary schools. Did the general teaching body accept the changes made by the World Bank projects or was there opposition towards them?
7. Were there any perceived differences between the World Bank's education philosophy and Barbados' development and education philosophy?
8. The Congress of Trade Union and Staff Associations of Barbados held two meetings with the IMF and the World Bank, to discuss the impact of the austerity measures on the education sector. Were there any perceived difference between the IMF's development plans and that of the government?
9. Can you describe what the negotiations with the World Bank and the IMF were like?
10. In May 1992 at the Caribbean Union of Teachers/ Barbados Union of Teachers' conference on the impact of structural adjustment programmes on education, it was noted that the IMF's policy of privatisation and cost recovery were conflicting with those of the CUT/BU, which saw the provision of education as a right. What impact did the SAPs have on the Barbados education system?
11. Research conducted by Prof. Andrew Downes of the University of the West Indies concluded that 'the education agendas of within the Caribbean region are usually the projects of multilateral financial institutions, with these institutions bringing their own perspectives on education which is often attached to the aid they supply.' Do you agree with this statement in relation the projects funded by the World Bank?

## Appendix 7

### Interview Questions for Policymakers

(Preamble given about the research project and how the interviewee can assist me in achieving the project's objectives)

1. How long did you serve in your capacity as \_\_\_\_\_?
2. What were the negotiations with the World Bank like? Was there any general consensus on the issues to finance or did they insist on cost effective measures?
3. At anytime did it appear as though Barbados' development strategy of providing social benefits appear challenged by the World Bank?
4. What impact did the stabilisation programme of 1982/83 have on the education sector?
5. How did the IMF structural adjustment programme of 1992 affect the education sector?
6. What impact did the projects and the Bank's presence have on the education sector?
7. Do you agree with the Bank's assessment of the government's employment strategy in the education sector? (the strategy of using the teaching service to find employment for young school leavers)
8. What can account for the Government's lack of commitment to increase the teacher to student ratio despite a decline in school enrolments?
9. What role did the teachers' union play in preventing the implementation of cost effective measures?
10. The Government abandoned its previous commitment to freeze its hiring of new teachers and instead introduced specialised remedial reading teachers and lowered teaching loads in primary schools. What was the rationale behind this change?
11. Do you believe that the challenges and circumstances faced by the education sector are a result of external circumstances or internal policies?
12. The Inter-American Development Bank appears more willing to drop the student/ teacher ratio conditionality, what were the negotiations like with the IADB?
13. Research conducted by Prof. Andrew Downes of the University of the West Indies concluded that ' the education agendas of within the Caribbean region are usually the projects of multilateral financial institutions, with these institutions bringing their own perspectives on education which is often attached to the aid they supply.' Do you agree with this statement in relation the projects funded by the World Bank?

## Appendix 8

### Total Government Expenditure by Sector 1977 – 2006

Bds\$000

Year	Total Current Expenditure	General Public Services	Defence	Education	Health	Social Security & Welfare Services	Housing and Community Amenities	Other Community Services	Economic Services	Other Purposes
1977	251,570	37,447	1,637	53,022	34,342	28,887	4,998	3,314	51,769	36,155
1978	285,178	45,371	2,011	57,668	36,730	34,240	11,005	3,491	55,190	34,471
1979	326,129	49,185	3,164	68,963	41,203	38,241	13,641	4,062	63,128	44,542
1980	403,341	58,608	6,751	89,891	56,526	23,812	9,765	944	104,871	52,173
1981	473,902	66,266	10,574	92,060	62,300	22,799	12,097	513	127,900	72,701
1982	483,105	76,716	11,027	97,923	71,952	22,573	8,689	3,354	96,850	167,018
1983	538,237	81,140	15,314	105,392	88,438	31,061	8,001	-	97,264	111,627
1984	559,142	90,369	17,608	122,515	90,674	31,376	10,693	-	103,584	92,323
1985	642,174	109,327	21,015	139,431	92,173	35,451	7,064	-	142,683	102,385
1986	694,815	101,090	19,204	143,243	103,936	38,910	6,463	-	153,622	128,341
1987	758,398	120,320	4,992	153,474	118,424	42,281	17,864	-	124,696	175,547
1988	836,074	141,678	-	167,742	122,681	41,756	13,896	-	147,611	194,575
1989	920,178	162,396	-	192,118	138,281	52,314	11,395	-	158,034	205,640
1990	1,165,348	174,822	-	233,982	171,164	54,771	16,027	-	196,460	318,124
1991	1,037,511	338,872	-	194,935	154,328	14,126	15,723	-	250,045	75,841
1992	1,158,022	568,131	-	181,341	147,080	-	7,884	-	253,386	-
1993	1,294,323	648,628	-	181,341	165,813	-	30,381	-	207,429	-
1994	1,090,528	527,346	-	209,654	161,784	-	26,081	-	143,687	-
1995	1,234,847	646,887	-	229,537	169,049	-	34,146	-	157,811	-
1996	1,376,510	781,297	-	238,723	190,822	-	41,423	-	124,246	-
1997	1,220,359	197,543	31,260	261,626	162,972	121,457	46,858	16,252	172,690	189,705
1998	1,318,459	219,392	38,226	299,960	178,393	131,749	43,744	21,667	181,494	203,838
1999	1,395,640	212,809	36,981	325,279	188,663	143,310	52,123	21,938	187,915	226,615
2000	1,488,766	275,058	41,430	320,516	203,377	145,997	53,083	23,502	188,284	237,519
2001	1,599,020	267,929	41,752	351,840	213,985	161,386	52,587	25,361	207,420	276,759
2002	1,655,578	267,696	44,231	362,791	229,632	184,106	57,314	27,200	215,007	267,599
2003	1,723,441	279,347	48,839	368,969	239,578	204,991	61,644	29,146	224,116	271,813
2004	1,786,131	303,300	44,569	381,470	250,229	206,061	67,518	29,247	234,606	498,918
2005	1,941,422	341,374	48,158	407,346	254,151	211,916	69,624	31,867	286,038	290,951
2006	2,022,055	355,104	57,573	425,744	278,123	226,214	70,192	33,223	251,499	324,283

Source: Barbados Statistical Department 2014

## **Appendix 9**

### **List of Interviewees**

1. Former Prime Minister and Minister of Education (1970s -1990s)
2. Former Chief Education Officer, Ministry of Education (1970s -1980s)
3. Former General Secretary, Barbados Union of Teachers (1980s) and Parliamentary Secretary, Prime Minister's Office
4. Former Permanent Secretary, Ministry of Finance (1990s -2000s)
5. Former President, Barbados Union of Teachers (1980s) and Minister of Education
6. Former Deputy Chief Education Officer, Ministry of Education (1980s-1990s)
7. Former Senior Public Officer, Prime Minister's Office (1980s -2000s)
8. Former Senior Education Officer, Education Project Implementation Unit, Ministry of Education (1980s -1990s)
9. Former President, Barbados Secondary Teachers' Union (1980s – 1990s)
10. Former President, Barbados Union of Teachers (1990s) and Senator
11. Former Permanent Secretary, Ministry of Education (1970s -1980s)

## Appendix 10

### Mapping Occupational Changes in Barbados: 1970 -1980

Occupational Group by Age	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64
Pro/ Technical Workers	259	1756	2121	1691	1201	925	671	574	436	231
Admin and Management	6	76	192	285	285	250	241	180	127	73
Clerical and Related Work	903	3691	3480	2088	968	737	515	416	327	181
Sales Workers	659	127	1202	1010	675	618	587	636	554	543
Agriculture and Related Work	693	1082	905	845	772	725	764	920	829	1030
Prod and Related Work	3793	7445	6017	4451	2868	254	2191	2332	1854	1357
Not Stated	128	255	228	154	102	101	77	81	52	54
Total	7011	17938	16606	12997	8652	7585	6554	6566	5290	4304

Source: Taken from the 1980-81 Population Census of the Commonwealth Caribbean: Barbados Volume 1



